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25 April 1984

NEAR EAST/SOUTH ASIA REPORT

CONTENTS

ARAB AFRICA

EGYPT

Cairo's Ever-Growing Population Requires Urgent Remedy (Husayn Ramzi Kazim; AL-AHRAM, 19 Mar 84).....	1
Government Devises Financial Reform Plans (Usamah Ghayth; AL-TADAMUN, No 42, 28 Jan 84).....	3
Minister of Economy Decrees Stringent Bank Loan To Deposit Ratios (Abd-al-Qadir Shuhayb; AL-TADAMUN, No 42, 28 Jan 84).....	7
Banks Continue To Exceed Central Bank Loan Ratios (Abd-al-Qadir Shuhayb; AL-TADAMUN, No 46, 25 Feb 84).....	10
Impact of Devaluation of Pound Discussed (Isma'il Sabri Abdallah; AL-AHALI, 21 Mar 84).....	12
Tax Department Establishes New Bureaus, Techniques To Improve Collection (Majid Atiyah; AL-MUSAWWAR, No 3102, 23 Mar 84).....	16
Former Deputy Criticizes Ban on Religious Parties (Sa'd Amin Izz-al-Din; AL-SHA'B, 7 Feb 84).....	26
Various Members of Labor Party Conduct Dialogue With Militant Muslims (AL-SHA'B, 7 Feb 84).....	28

Ad Hoc Nature of Newly Created Parties Criticized (Mahmud 'Abd-al-Mun'im Murad; UKTUBAR, No 386, 18 Mar 84).....	34
Longstanding Sequestration Controversy Examined (Rajab al-Banna; AL-AHRAM, 14 Mar 84).....	39
Contemporary Islamic View of Democracy Presented (Jamal-al-Din Mahmud; AL-AHRAM, 19 Mar 84).....	43
Justice Ministry Installs New Computer Systems in Courts (AL-AHRAM, 16 Jan 84).....	46
Problems Arising From Shift in Tourist Emphasis Reviewed ('Abd-al-Qadir Shuhayb; AL-TADAMUN, No 48, 10 Mar 84).....	48
Alleged Misconduct of National Press Establishments Scored (AL-AHALI, 21 Mar 84).....	51
Purpose of Research Centers Called Into Question ('Asim Hanafi; AL-AHALI, 21 Mar 84).....	57
Plight of Homeless in al-Jizah Explored (Kifah Ahmad; AL-AHALI, 21 Mar 84).....	65
MOROCCO	
Projects To Promote Employment Reviewed (MAROC SOIR, 19 Mar 84).....	70
SUDAN	
'Pitiful State' of Nation's Military Preparedness Decried (al-Taj Muhammad Ahmad; AL-DUSTUR, Nos 318-319, 26 Dec 83).....	77
Serious Drought in Western Regions Described (AL-DUSTUR, No 320, 9 Jan 84).....	81
Numbers, Orientation of Citizens Living Abroad Reviewed (al-Taj Muhammad Ahmad; AL-DUSTUR, No 320, 9 Jan 84).....	83
Head of Arabic Institute Discusses Programs, Curriculum (Abdessalam Loussaila; AL-'AMAL, 25 Jan 84).....	87
Briefs Journalists' Union	90

TUNISIA

Grain Production, Demographic, Economic, Social Data Reported

(LE TEMPS, 13 Mar 84)..... 91

ARAB EAST/ISRAEL

BAHRAIN

Briefs

Economic Agreement With ROK 98

Amiri Decree on Wages 98

ISRAEL

Government Administrator Tried for Criticizing State
(Shemu'el Mittelman; HA'ARETZ, 27 Feb 84)..... 99

Study of Official Borders of Jerusalem Disclosed
(Nadav Shraga'i; HA'ARETZ, 2 Mar 84)..... 101

West Bank Farming Laws Discussed
(Tzvi Bar'el; HA'ARETZ, 2 Mar 84)..... 105

Israeli Students Harassed at Cairo Congress
(Nurit (Baretzky); MA'ARIV, 29 Mar 84)..... 108

West Bank Personality Says Atmosphere Changed
(Jerusalem Domestic Service, 27 Mar 84)..... 109

Briefs

Gaza Standard of Living Up 110

Exports to Canada 110

Milch Cow Deal With Egypt 110

Aid Against Basque Terrorism 111

Arab-Jewish Meetings 111

Rehabilitation of Gaza Refugees 111

Ban on Arabic Paper 111

Rising West Bank Employment 112

Unemployment Crisis 112

KUWAIT

Kuwaiti Speaker Scores U.S., USSR Roles in Mideast Conflict
(KUNA, 5 Apr 84)..... 113

Briefs

National Assembly Elections
Population Ratio Figures

115
115

SOUTH ASIA

AFGHANISTAN

Villages Seen at Odds With Government

(Pierre Centlivres; JOURNAL DE GENEVE, 29, 30 Mar 84)..... 116

PAKISTAN

Briefs

Soviet Journal Confiscated
MRD Leader Offered Money

121
121

CAIRO'S EVER-GROWING POPULATION REQUIRES URGENT REMEDY

Cairo AL-AHRAM in Arabic 19 Mar 84 p 7

[Article by Dr Husayn Ramzi Kazim, first undersecretary, Central Agency for Organization and Administration: "Cairo In the Year 2000"]

[Text] Official statistics indicate that Greater Cairo's population is now 8.529 million persons, an annual increase of 221,000 persons, and that Cairo's population comprises 18 percent of the country's total population. If current trends continue, Cairo's population in the year 2000 will be 15 million persons while the country's total population is expected to hit the 66 million mark.

Thus, it is clear that the most serious issue facing Egyptian society at the present time is the population problem with its negative effects on the various aspects of life in Egypt and the ongoing migration from rural areas in search of better job opportunities in the capital.

In the interest of facing this problem, we cannot ignore the state's concern with birth control and the construction of new cities around Cairo to attract citizens from densely-populated Cairo. Nevertheless, we see that finding radical solutions to this important and vital problem does not alone lie in birth control or new cities around Cairo, but requires that we take a long, hard look at the problem itself.

In the framework of this concept, we can deduce a number of solutions which, in our judgment, can answer the following questions:

Why not put a stop to migration to Cairo and why not declare Cairo a closed city where work permits, explaining the reason for migration to the capital and the line of work to be pursued, are made mandatory?

Why not compile a comprehensive list of all street vendors who migrate from Upper and Lower Egypt with a view to resettling them in their respective governorates to be the productive labor force of development projects there?

Where is the role of citizens in the building and construction process in the new cities where many of them have bought land solely for investment and speculation?

If the government is committed to providing jobs for graduates, why not limit assignments to those governorates which suffer from shortages of manpower and capabilities, such as the Red Sea, New Valley, Sinai and Matruh Governorates?

Where is the role of the governorates in providing housing for employees transferred to them and for new young appointees to draw them to jobs in local government offices, especially in remote, far-away places?

Why don't the ministries and government agencies delegate their central jurisdictions to their branches in the governorates so as to save citizens the trouble of going to Cairo to settle business that requires central government approval?

In light of government social and economic development plans, why not direct all new foreign investment and open-door policy projects to the governorates to meet development demands?

Easing the population burden in Cairo requires more attention to villages and cities in order to attract, not drive away, citizens. Therefore, why not assist rural development and regional planning agencies in carrying out their assigned tasks successfully and effectively?

There are thousands of government employees who work in Cairo, but reside in other governorates. These employees have a hard daily commute to Cairo, so why not offer them transfers to their own governorates to ease their problem and take the load off public transportation and other public services in the overcrowded capital?

These are some of the questions that underscore the problems of population expansion in the multi-dimensional city of Cairo. They are no longer the concern of any one specific ministry or agency, but rather the problem of the entire country. Total solutions to these problems must be found in order to guarantee fulfillment of every Egyptian's hope for a bright, radiant and peaceful Cairo in the year 2000.

12502

CSO: 4504/219

EGYPT

GOVERNMENT DEVISES FINANCIAL REFORM PLANS

London AL-TADAMUN in Arabic No 42, 28 Jan 84 pp 38, 39

[Article by Usamah Ghayth: "In the Light of Three Important Financial Indicators, Correction of Disruptions in the Economic Structure and Rapid Solutions to Excesses"]

[Text] In the context of the dialogue that is taking place on economic reform, liberalization policy, and its negative and positive indices in Egypt, it becomes of utmost importance to analyze monetary and credit policy through the developments in the status of the banking system operating in Egypt in view of the statistical and numerical estimates that offers, showing the true state of the economic situation in all its dimensions and its real features, separate from conflicts that are motivated by special interests and political and party disputes.

According to the report which has been prepared regarding financial, monetary and credit policy under the supervision of Dr 'Atif Sidqi, chairman of the Central Accounting Agency and chairman of the Economic Committee in the assembly, there is a group of important financial and monetary indicators which show the true nature of the movement of the Egyptian economy, as follows:

First, the financial condition of banks in Egypt has realized substantial improvement, since the total value of their financial holdings in June 1983 rose to 28,038,000,000 Egyptian pounds, as compared with just 4,047,000,000 pounds at the end of December 1975, an increase of 700 percent in a period of time no greater than 8 years. That reflects the expansion in the volume of general economic activity in the Egyptian economy since 1975, which today is linked to the start of the real expansion in the application of economic liberalization policy.

Second, the most important indicator is represented by the improvement which has occurred with respect to total local and foreign currency bank deposits in Egypt. These deposits rose substantially, totalling 15,923,000,000 Egyptian pounds at the end of June 1983 as compared with just 1,779,000,000 pounds in value in deposits at the end of December 1975, an increase of 800 percent in a period of just 8 years. That primarily reflects private capital

and individuals' confidence in dealing with the banking system and a lack of reluctance to reveal their true savings, profits and wealth, with the shift from the policy of the closed economy to that of the free economy, guarantees for private ownership, and permission to the private sector to be active and move freely. Thus fortunes have moved out of people's homes into normal banking channels, contributing an impetus for monetary and financial revival to the Egyptian economy, although that at the same time has reflected the tremendous increase in remittances of Egyptians working abroad, especially in the Arab countries, and the increase in government's income from petroleum revenues, loans, foreign aid and other local resources which have witnessed substantial expansion and growth.

Third, this situation has been reflected in the increase of the value of credit facilities (loans offered by banks operating in Egypt), whose number rose with the policy of economic liberalization, totalling about 70 as compared with just four in the past. The value of credit facilities came to 11,304,000,000 pounds in June 1983 as compared with just 2,321,000,000 pounds in December 1975, an increase of about 550 percent in the period on which the comparison is based. These are loans offered for various economic, commercial and service activities and they witnessed a percentible expansion from the standpoint of both the government and public sectors and the private sector and individuals.

One can say that the sum total of these financial and monetary indicators of necessity reflects the magnitude of the expansion in economic activity in the past 8 years, but at the same time it also reflects a combination of excesses in financial, monetary and credit policies as well as a combination of negative phenomena characterizing economic and social development, as embodied ultimately in the negative political features of economic liberalization. The Egyptian government has acknowledged that these must be remedied and overcome in order for it to be possible in the future to put the Egyptian economy along the proper road to development, far removed from interim excesses which many economic experts, especially in the opposition papers, connect to pressures from the private sector and its influential leaders, and the resulting administrative corruption and disruption in the direction and course of development, which have led to existing negative social and economic results in the form of discrepancies in incomes and wealth and the broad base of the citizens' affliction with high rates of inflation, the low competence of public facilities and services, and other negative features for which radical, rapid solutions are being sought.

Foremost among the financial and monetary indicators for which economic policy has started to seek urgent solutions and in regard to which it actually has carried out measures along the road to reform and correction are the following:

The tendency toward exaggerated growth in favor of domestic and foreign trade at the expense of the other sectors of economic and social development which the results of the past 8 years have underlined. Trade has absorbed about 45 percent of the total loans offered by banks operating in Egypt. Statistics show that trade sector loans came to 616 million pounds in 1975, or 50.7 percent of the total loans offered by commercial banks, then dropped

perceptibly by December 1977, coming to 561 million pounds or 33.4 percent of total loans, then resumed their proportionate rise and their rise in value, reaching 48.3 percent by June 1981, or a value of 2,425,000,000 pounds.

Over the past 2 years loans offered to the commercial sector have continued to rise in value, coming to 2,627,000,000 pounds and 3,855,000,00 pounds respectively in June 1982 and June 1983, although their relative importance as a proportion of the total loans offered by the commercial banks dropped to 47.8 percent, then 43.2 percent, respectively.

The seriousness of these numerical indicators is apparent when one considers that the value of the loans offered to the agricultural sector by commercial banks came to just 2.6 percent in June 1983, with total loans valued at 234 million pounds, as compared with 16.3 million pounds in December 1975, valued at just 1.3 percent of total loans, in spite of the crucial nature and importance of the agricultural sector for development plans in Egypt.

In the sector of industry, which is considered a pillar of economic life and development in Egypt, the share of loans came to just 3.32 billion pounds as of June 1983, or 37.5 percent of the total, as compared with 488 million pounds or 40 percent of the total as of December 1975.

However, at the same time the indicators show a rise in the value of loans offered to the service sector, which rose to 1,516,000,000 pounds by June 1983, or 17 percent of total loans, as compared with 96.5 million pounds, or 7.9 percent, in December 1975.

Even in the case of investment and business banks, the major part of the loans they offer is directed to the trade sector, whose share came to 608 million pounds, or 51.6 percent, by June 1983, as compared with 1.4 percent for agriculture and 14.9 percent for industry in the same period, while the services sector's share rose to 32.1 percent.

To some extent attempts to support productive activity through specialized banks in Egypt may to some extent limit these negative effects; by June 1983 this activity had come to 36.2 percent of the value of the loans to the sector of agriculture, 18.9 percent for the sector of industry and 43.7 percent for the service sector. Trade's share was limited to 1.2 percent of the total of these specialized banks' loans, which came to 1,199,000,000 pounds in value.

Reference is made to these negative indicators as an expression of the structural disruption in the Egyptian economy, as embodied in the increase in the trade and service sector's share of the total monetary and financial flow at the expense of that of the productive industrial and agricultural sectors, although the future of development is linked primarily to the extent to which one is able and successful in building a strong stable productive base which will make it possible to provide Egypt with the various goods and services it requires for consumption or for construction for development.

That is the challenge facing financial, monetary, economic and credit plans in Egypt, and to a large extent it explains the private sector's talk about commercial stagnation, which in reality is a step toward the structural reform of the Egyptian economy along the road to development paralleling the future.

11887

CSO: 4504/216

MINISTER OF ECONOMY DECREES STRINGENT BANK LOAN TO DEPOSIT RATIOS

London AL-TADAMUN in Arabic No 42, 28 Jan 84 p 41

[Article by 'Abd-al-Qadir Shuhayb: "A New Confrontation between the Egyptian Government and Foreign Banks"]

[Text] Economic authorities in Egypt expect that a new confrontation will occur between themselves and the foreign and joint banks whose establishment has been permitted in the context of economic liberalization.

The period the Egyptian authorities gave foreign and joint banks in which to undertake to carry out the Egyptian Central Bank decree on the guidance of credit, and the restriction on commercial credit specifically, ended at the end of December. These decrees require that the rate of credit these banks give not exceed 65 percent of the total deposits in each individual bank and that the rate of commercial credit, specifically, not increase by more than 1 percent a month. The Egyptian government, as Dr Mustafa al-Sa'id, the Egyptian minister of economy, declared, is determined not to extend this period again, and to apply these decrees resolutely to all foreign and joint banks without exception, as before. This is not being well received by the management of a number of foreign and joint banks in Egypt.

Therefore Egyptian economic authorities expect some problems from these banks. According to statements by the Egyptian minister of economy, those which have not been able to commit themselves to the Central Bank decrees bearing on the guidance and restriction of credit, as the rate of credit they have given exceeds 65 percent of the volume of their deposits, come to about six.

The Central Bank issued these decrees 3 years ago. However, the managements of the foreign and joint banks in Egypt objected to these decrees at that time, because they negatively affected their activity and the massive profit levels they realized annually, which, according to Central Bank estimates, came to about 55 percent of capital. The foreign and joint banks' protest was based on the point that these decrees would leave frozen assets in the banks and they would not benefit by exploiting them by lending them out to their clients but meanwhile would be compelled to raise the interest for the owners of these deposits, which would inflict losses on them.

Meanwhile, the Central Bank considered that these decrees were necessary for controlling the volume of money in circulation in the Egyptian market, which was necessary, consequently, for controlling the volume and rate of inflation in it, especially since the rate of increase in money has come to more than 45 percent a year in Egypt.

The Egyptian Central Bank also had the goal, through these decrees, of providing financing for investment projects in the areas of agriculture and industry, rather than having trade, specifically imports, monopolize most of the credit the banks in Egypt offer.

Therefore the Egyptian Central Bank insisted on these decrees and refused to respond to the demand of the group of foreign and joint banks in Egypt at that time that these decrees be reviewed or abrogated. The management of the Egyptian Central Bank agreed only to postpone the execution of its decrees and grant the foreign and joint banks the period of a year in which to arrange their affairs before holding them to account for failing to commit themselves to these decrees, in order to absorb the pressures the foreign and joint banks had exerted in Egypt for the sake of the abrogation of the Central Bank decrees.

Because of this pressure, the management of the Central Bank was compelled to extend this period a number of times in the past 3 years. In the middle of last year the economic authorities decreed that the game of extending the period granted to the foreign banks and postponing the execution of the Egyptian Central Bank decrees would stop. The foreign and joint banks then rebelled against this state of affairs and launched a broad campaign against these decrees and the Egyptian minister of economy, who decided to end the postponement game. The situation did not end there -- rather, they instigated merchants and importers to oppose the economic authorities and join ranks with them in putting pressure on the Egyptian government to refrain from executing these decrees or further postpone their execution.

To this end, some foreign and joint banks resorted to putting pressure on their merchant clients by demanding that they pay all their commitments and debts at once, so that these banks would be able to reduce the rate of credit in their possession to the rate stipulated in the Central Bank decrees. This provoked a disruption in the Egyptian market and among merchants and importers in Egypt, and they in turn put pressure on the Egyptian government to refrain from executing these decrees bearing on the guidance of credit so that they would not be faced with bankruptcy. Indeed, they rumored that some of them had in fact been compelled to go bankrupt to pay off the money they owed the banks.

The Chamber of Commerce in Cairo and the General Federation of Chambers of Commerce in Egypt all held a number of meetings with people in charge of managing the Egyptian economy at the time. These meetings produced a compromise solution, which was that the Central Bank decrees would be executed in the case of the banks which had actually carried them out, and the banks which had not yet carried them out would be exempted from committing themselves to them and would be given an additional period in which to arrange their affairs so that they would not be compelled to demand that their

clients immediately pay off their debts before they were made accountable for committing themselves to these decrees. The number of banks which were exempted from the execution of the Central Bank decrees came to nine at the time, and thus the noise which the merchants and foreign banks stirred up at that time quieted down, although it has not yet been stilled.

The period the Egyptian minister of economy gave the nine foreign and joint banks actually ended at the end of last December. Dr Mustafa al-Sa'id, the Egyptian minister of economy, declared that this period would not be extended further, although only three of these banks violating the credit rules had managed to arrange their affairs, leaving six which had not yet committed themselves to carrying them out, since the rate of credit they had granted was still much more than 65 percent of their total deposits.

Therefore the Egyptian economic authorities expect that these banks will stir up further commotion on these decrees and that the confrontation with them will resume because of the insistence on holding banks which fail to execute the Egyptian Central Bank instructions to account.

Early signs of such a confrontation have started to appear on the horizon and become aggravated within Egypt with the rumors some merchants and importers are circulating on the recession in the Egyptian economy and specifically in its trade sector, in spite of an increase of about 400 million pounds in imports in Egypt's private sector last year and about 150 million pounds in the first quarter of the current fiscal year, 1983-84.

Therefore preparations have started to be made for a new confrontation between the Egyptian government on the one hand and foreign banks and merchants on the other!

11887

CSO: 4504/216

BANKS CONTINUE TO EXCEED CENTRAL BANK LOAN RATIOS

London AL-TADAMUN in Arabic No 46, 25 Feb 84 p 66

[Article by 'Abd-al-Qadir Shuhayb: "Six Foreign Banks Face Deterrent Penalties from the Central Bank"]

[Text] The Egyptian Central Bank is looking into the adoption of new penalties against foreign banks which violate the rules it set out regarding credit in Egypt; some of these banks are still violating these rules although the period the Egyptian authorities gave them has elapsed, having been extended a number of times before they were to be held to account for committing themselves to these rules. The penalties the Central Bank is studying range from prohibiting foreign banks that violate credit rules from opening new branches in the various areas of Egypt to compelling them to pay fines that are equal in volume to the amount they have not deposited without interest with the Egyptian Central Bank in accordance with its instructions in effect. The recommended penalties go so far as the withdrawal of the foreign banks' permits to engage in activity in Egypt.

The Central Bank of Egypt issued a decree about 3 years ago specifying a collection of rules bearing on the grant of credit in Egypt which the banks operating there were to commit themselves to. These rules among other things stated that the credit and loans the banks grant should not exceed 65 percent of the total deposits in each individual bank and that commercial credit specifically should not increase by more than 12 percent a year. These rules also set an interest rate on loans allocated to the financing of commercial activities and other loans allocated to the financing of agricultural and industrial activities.

The Central Bank of Egypt had the objective, through its decree, of controlling and stifling the rate of inflation in Egypt by controlling the rate of increase in the money in circulation in the Egyptian market, of which commercial credit is considered to be one of the basic sources. The Central Bank of Egypt, through the decrees restricting credit, had sought to reduce the volume and rate of inflation.

However, no sooner were these decrees issued than the foreign and joint banks in Egypt rose up in arms, and merchants and major importers in Egypt also joined with them in the opposition!

The banks considered these decrees to be an undesirable intervention by the Egyptian Central Bank in their activity and also that it helped put their resources or the money they had been able to collect and deposits out of operation, limiting their annual rate of profits and raising the threat that they would cease to accept further deposits, creating a disruption within the Egyptian banking system.

The Egyptian Central Bank, following the intervention of the Egyptian economic authorities, was compelled to postpone the execution of its decrees and grant the banks more than one additional respite before holding them to account for the execution of these decrees, especially after some banks that were in violation put pressure on their Egyptian merchant clients and demanded that they pay their debts immediately and urgently, on grounds that they had to commit themselves to credit rules. This threatened a number of these merchants, who also made a number of reports of bankruptcy to the Egyptian Chamber of Commerce.

Thus over the period of approximately 3 years the Central Bank extended the grace periods it had given to the banks violating the credit rules a number of times. The last grace period the Egyptian Central Bank gave these banks before holding them to account for violating the credit rules came to an end last December.

Nonetheless, some foreign and joint banks in Egypt were still in violation of the credit guidance decrees. These banks came to six in number and the rate of credit granted by them came to more than 65 percent of the value of their deposits.

Therefore thought was given to adopting deterrent measures and strict penalties against the banks that were violating the Egyptian Central Bank's instructions, and Egyptian Central Bank experts recommended that these penalties be imposed gradually, escalating and increasing the more the foreign or joint bank continued violating the Central Bank instructions or insisted on committing the violation and did not eliminate it within a suitable time.

Therefore these penalties begin with the imposition of a fine on the bank committing the violation which comes to double the value of the credit this bank has given out that is in excess of the 65 percent of its deposits. This penalty then increases by prohibiting the bank in violation from opening new branches in Egypt. If the bank insists on violating the credit rules or repeats its violation a number of times after the imposition of the previous penalties, the permit granted it to engage in its activity within Egypt will be withdrawn.

The foreign banks' campaign is focused on the penalty bearing on prohibiting the bank in violation from opening new branches in Egypt, especially since the opening of such branches does not require the acquisition of new permits from the Credit Authority or the Central Bank and is done without compelling the bank to increase its capital.

However, Central Bank sources informed AL-TADAMUN that they were determined this time to carry out the credit guidance rules and that can be done only if the banks violating them are punished.

11887

CSO: 4504/216

IMPACT OF DEVALUATION OF POUND DISCUSSED

Cairo AL-AHALI in Arabic 21 Mar 84 p 5

[Article by Dr Isma'il Sabri 'Abdallah: "Devaluation of Pound Means Higher Inflation and Debt Burdens; Under Canopy of an Uncontrolled Market, Open-Door Firms Have Siphoned Off Egyptians' Savings"]

[Text] In its edition of 15 March 1984, AL-AHRAM published on its front page a serious report saying: "In the next few days, a new system for the Egyptian pound's exchange prices will be implemented to insure setting a realistic exchange price for the pound vis-a-vis foreign currencies, depending on currency and economic circumstances and according to supply and demand." Within the limits of what has been published, it seems that the government has decided to "float the pound's exchange price," starting by raising the price of the dollar to 112 piasters for all transactions financed outside the currency budget relying on the so-called Central Bank pool and the commercial banks pool.

If this report is true, then it means that the government has decided to accept the constant drop in the pound's exchange price instead of reducing this price in successive steps. This decision saddles the national economy and most Egyptian citizens with painful burdens, the most significant of which are: first, higher inflation as a result of the constant rise in the prices of imports paid for with the pound, with its deteriorating value and second, increased burdens in servicing foreign debts.

Considering that the government does not believe that it is the right of all the Egyptian people to know the text of its decisions, the real reasons motivating it to make these decisions or to know its assessment of the results of such decisions, the comment on this important event must, by necessity, be brief, despite the complex aspects of the issue.

Exchange Rate and Foreign Transactions

To clarify matters, we will start by saying that the exchange price of any national currency depends on two factors, one of them direct and the other indirect. The first is the result of financial transactions with the outside world, or the so-called current balance of payments. Whoever has experience with economic affairs knows that a deficit in this balance means by necessity a drop in the exchange price of the national currency vis-a-vis foreign currencies, and vice versa. The

rise in the dollar's price in the international exchange markets since 1982 is the result of a surplus in the U.S. balance of payments whereas the drop in the franc's exchange price in the same period is caused by the deficit in the French balance of payments. The second factor is the deficit in the state's general budget and the subsequent internal currency inflation because inflation means a rise in prices and, consequently, a decline in the ability to export and an increase in the chances of foreign imports to compete with local commodities.

In the past 10 years, Egypt has experienced a deficit in the balance of payments and a deficit in the state's general budget reaching dimensions unprecedented since the days of Khedive Isma'il. As an inevitable consequence, the pound's exchange price has been falling constantly. The successive governments (Egypt's Party which has become the National Party) have tried to erase its [presumably meaning the pound's] features through a number of currency measures that have created several prices for the pound (an official price, an incentive price, a collateral market, the price of the commercial banks pool, the price of the uncontrolled [al-munfalitah], not to say black, market in which the commercial banks deal by adding to the price set for transactions the so-called costs of securing currency--costs that bring the actual price close to the price in which money merchants outside the banking apparatus deal).

Because the reform measures adopted since 1982 have been limited, scattered and issued timidly, with the government partially backing down on them every now and then, the enormous deficit in the state's general budget and in the current balance of payments has remained almost unchanged. The total deficit in the 1983-84 budget is more than 5 billion pounds. The revenues of our exports are still unable to cover more than 42 percent of our imports. Leaving the question of determining the Egyptian pound's exchange rate vis-a-vis the foreign currencies to the law of supply and demand under these conditions means the steady decline of this rate, with all the subsequent harm to the national economy and hardship for the people.

Government Policies That Worsen Pound's Position

Added to this is the government's insistence on policies that directly harm the pound's price [exchange rate]. Foremost among these policies is the so-called system of importation without currency remittance. The name itself is false because any importation without currency remittance is inevitably countered by exportation without currency acquisition. There is nothing free of charge in economic transactions. It is well known that this system began when a number of importers resorted to purchasing the savings of Egyptians working abroad at a price higher than that paid by the Egyptian banks and used those savings to import commodities (mostly luxury commodities) to be sold at high prices and yielding enormous profits. We all remember the merchants' sweeping rebellion against the famous decree No 119 which set the profit for imported goods at 30 percent but which has never been implemented. Under the canopy of the uncontrolled open-door philosophy, many firms enjoying the exemptions and advantages stipulated for them in law No 43 of 1974 specifically (in order that they may bring in an abundance of foreign currencies, either in cash or in equipment and machinery) resorted to purchasing the currencies needed for their imports from the local market, i.e. from savings that had returned to the country willingly and that could have found their way toward investment without any need for the said law.

It is well known that the major part of the foreign financing for the project of al-'Amiriyah textile complex--a project which aroused the criticism of even the World Bank itself--was collected locally in the country. As long as the parasitic activity continues and the imports door is open without any restrictions, the major parasitic merchants will always be able to pay a higher exchange rate than the rate set by the government through successive reductions. We said in the economic conference which the president of the republic called in February 1982 that this system is a heresy unmatched in the world. No participant in that conference could site another country adopting this system. Dr 'Ali al-Juraytili, may God's mercy be upon his soul, used the word heresy in his demand that this system be abolished. Despite this, the volume of imports without currency remittance has grown in the past 2 years.

On the other hand, the government is almost making the dollar a currency parallel to the Egyptian pound in the internal market. Priority in selling some of the public sector's products is given to those who pay in dollars. With this in mind, we cannot fault the private sector for selling its services or products (even medical services) in dollars. The banking apparatus pays the highest interest rates for deposits in dollars while failing to come close to paying such rates for deposits in the other major currencies, such as the Swiss franc, the Deutsche-mark or the Japanese yen. All this means adding local demand for the dollar to the demand emanating from importation. This is why the price of the dollar was rising constantly in Egypt during the period in which it was falling clearly in the world markets (1978-81). One is astounded to see the love of whatever is American reach this degree in the country.

Danger of Patchwork Measures

In the report it presented to the economic conference under the title of "Egypt's Current Economic Crisis and Way to Overcome It," our party offered the alternative solutions and warned of the consequences that we are witnessing at present. The said report pointed out that currency, financial and foreign trade affairs must be tackled with comprehensive policy seeking fundamentally to reduce the deficit in the state's general budget, to curtail inflation and to control importation. Regarding the particular issue of the pound exchange rate, the party proposed permitting the possession of foreign currencies, provided that the currencies are deposited with the banks and that currency transactions are concluded through them. The party also urged the need to liquidate the system of importation without currency remittance and demanded that the imports be reduced decisively and rapidly and that all the import transactions be concluded through the banks accredited in Egypt and within the framework of clear priorities that respect the objectives of the development plan.

What we are saying is no more than acknowledged fundamental principles. Economists with their various intellectual tendencies do not, given the current deficit, approve the free disposal of foreign currencies and free importation at the same time because this is the path to catastrophe. The issue is not one of knowledge or ignorance but a political issue in which social forces are engaged in a struggle. The major parasites who reap tens of millions from their import activities and from the trade connected with them stand with all their financial and economic weight against any serious and coordinated reform of the Egyptian economy's conditions.

Finally, let nobody say that essential imports come by way of the "Central Bank pool" at the official price (70 piasters per dollar). The payments made via this channel in 1982-83 did not (according to the data of the Central Bank itself) exceed 19.7 percent of the sums we paid to the outside world, with most of those sums going for the purchase of wheat, sugar and [edible] oil. As for machinery, equipment and production requirements (not to mention the other consumer goods), they are paid for at the low exchange rate which the government wants to reduce even further.

This is a sincere call to obviate the issue before the adoption of a hasty decision. However, the decision [to reduce the Egyptian pound's exchange rate] may be actually implemented before AL-AHALI reaches the readers.

8494

CSO: 4504/222

TAX DEPARTMENT ESTABLISHES NEW BUREAUS, TECHNIQUES TO IMPROVE COLLECTION

Cairo AL-MUSAWWAR in Arabic No 3102, 23 Mar 84 pp 76-78

[Article by Majid 'Atiyah: "The Chairman of the Tax Department Says the Taxpayers' Declarations Are Correct and It Is up to the Tax [Department] To Prove the Opposite"]

[Text] Once again we invite you quickly to submit your tax declaration; you have only a few days until the deadline comes, if you are a payer of commercial profits tax, to avoid facing difficulties with the law.

Once again, too, we review the issues of the dispute which in their totality constitute the "focal point" of the struggle between the taxpayers and tax authorities, as we presented it in the previous issue, in the words of the heads of the authorities, federations, professional unions and other taxpayers' bodies. This time we will be reviewing problems, solutions to problems and official views regarding them. Dr Salah Hamid, the minister of finance, spells out solutions and limits in tax transactions, and Hisam Fayid, chairman of the Tax Department, reviews all these problems and actually presents a framework for the relationship between the tax authorities and taxpayers. These are the problems, and these are the two men's official views.

In the previous issue, all the authorities, groups and professional unions presented their tax problems and recommendations for establishing a strong relationship of trust between taxpayers and tax authorities. In another area, the chairman of the Contracting Department spelled out the manner in which the tax men deal with him and demanded a kind of immunity for himself against certain complaints, which are fraudulent in most cases. The chairman of the office of the tax prosecutor blamed the Tax [Department] for its reluctance to hold the incomes of parasites to account.

The focal point of last issue's "conversations" concerned a question that had been posed in search of an answer:

"Who decides the struggle between the taxpayers and tax authorities?"

In the course of the conversations, basic problems which themselves could be the motive for the existence of such a struggle, if we assume that everyone

with an income is honest and writes up true declarations, came to the fore. Otherwise, the main motive of the struggle, and the endless continuation of the struggle, will be those eternal evaders!

These Problems

However, assuming that everyone is truthful and honest, we find that the actual problems which provoke disputes take concrete form in a number of general basic points, aside from those which are connected to each individual profession according to its own nature.

The tax authorities put reliance on invalidating the books submitted by taxpayers with the first dispute regarding certain subsections on expenditures.

The tax authorities do not admit that there is any new "subsection" in expenditures under the title of "gratuities" although such a subsection has been codified by judiciary ruling.

There is something called "the free exchange rate" of the Egyptian pound relative to foreign currencies, and all members of the private sector and members of liberal professions deal on the basis of these free rates. If the tax man comes and holds these persons to account in accordance with the official exchange rate, the difference between the two rates comes to more than 40 percent. Where do the businessmen get this from?

When the taxpayers' declarations and books are rendered invalid, the "random appraisal" begins and the problems, contestation committees, and courts come into effect. Thus the collection of declining value on the government's behalf is delayed, even if it collects the money in full after a number of years, by virtue of the endless inflation rates, while the taxpayers take the opportunity to put these funds to work and earn great sums through their frequent turnover!

As to the dispute over the accounting method -- is that to be based on gross revenues, including raw materials, which sometimes account for 75 percent of the volume of gross revenues, or should the tax accounting be on net income figures?

Accounting methods proliferate according to category; we find that there is accounting stability in one profession while we find that another profession is subject to problems with estimates, although it is possible to set out rules and bases to control the accounting on the basis of profit margins, some of which are set by decrees from higher authorities!

Respecting the Declaration

On these issues at dispute, which raise all the problems and affect the relationship between the tax authorities and the taxpayers to a degree where it is possible to term it a "struggle," we had a fruitful meeting and conversation with Mr Hisam Fayid, the deputy minister and chief of the Tax Department.

[Question] There are many taxpayers' complaints about the process of holding declarations and books invalid and about random appraisals.

[Answer] The invalidation of declarations presented by taxpayers is basically wrong. The basis is that the declarations and books are sound when they are submitted by the taxpayer, and if there are doubts or questions concerning their truthfulness, the burden of proof lies with the Tax Department.

[Question] Do all tax bureaus apply this principle?

[Answer] I circulated a bulletin on this to all tax bureaus. This principle is not an original concept on our part but a stipulation in law. In the bulletin I pointed out to all these bureaus the stipulations of the law, where Article 36 of Law 157 for 1981 stipulates the following:

"The guiding precept regarding the books, records and documents the taxpayer keeps is concerned with their correctness and the extent to which they show the truth and are regular in terms of form, in accordance with sound accounting principles and the observance of laws and rules stipulated in this regard.

"The burden of proof lies with the Tax Department in the event confidence is not placed in the books, when they are kept in the manner referred to in the previous paragraph."

Random Appraisals

[Question] What if conduct occurs which is in violation of the provisions of the law?

[Answer] Any conduct which is in violation of the contents of the law is tantamount to obstructionism and defiance of the law and instructions. In addition, the invalidation of books for no serious reason is almost a form of futile manipulation as long as this sort of wrongful measure does not stand up in the face of protest or contestation.

[Question] What about cases of random appraisals?

[Answer] Even in cases where there are appraisals, they must be supported by data and reasons.

Therefore I have urged all colleagues in all bureaus to give maximum importance to the proper reception and dignified treatment of taxpayers. This does not conflict with their right to observe precision in examination in order to arrive at the truth without neglect or excess.

Gratuities

[Question] There are problems of general categories and group problems which differ from profession to profession. Let us start with the general problems first of all.

We now have a section called "gratuities," which are among the expenditures which must be deducted from income. A judiciary ruling was issued on this section by the court of cassation, and the gratuities were evaluated at 3 percent of total revenues. That section raises problems in tax accounting.

[Answer] There is no dispute over the section on gratuities; rather, the dispute is over the amounts in the section on gratutites. We cannot ignore or fail to recognize this section; it is a fact. However, if the section on gratuities is exaggerated to the point where they swallow up a high percentage of expenditures, this is where the dispute lies. However, if they are a reasonable percentage of the volume of revenues, one cannot discuss that.

I personally was in charge of reviewing the accounts of the office of a major lawyer who dealt with banks and companies, and his revenues exceeded half a million pounds. In his books there were "gratuities" of about 6,000 pounds, and I allowed that. I could not argue with that figure, when it was compared with the volume of revenues!

[Question] What about calculations of the exchange rate of the Egyptian pound relative to foreign currency?

[Answer] In this regard, the instructions are clear. Calculations are made on the basis of the free rate, not on the basis of the declared rate.

Pharmacists' Complaints

[Question] On the problems of pharmacists: there have been rules on whose basis tax accounting takes place, then these rules are rendered invalid by the Tax [Department]; why?

[Answer] An agreement was actually reached with the pharmacists on the accounting basis, then with the minister of finance, but, after issuance of the new law, this agreement became illegal in accordance with the ruling the Council of State made and the Accounting Agency's observations, since the new law does not permit the minister of finance to reach agreements on tax accounting. In order to resolve this matter, the minister of finance sent a memorandum to the higher policy committee under the chairmanship of the prime minister to resolve the situation, and it is still being reviewed.

On the other hand, the accounting for 1981 was settled on the basis of the old agreement. However, as regards 1982 and 1983, my instructions to the tax men are to accept the declarations presented by pharmacists as they are until new instructions are issued. A meeting was held in this regard with the pharmacists in the presence of the minister of health, and we will hold another meeting next month in the presence of the legal advisor to the minister of finance.

[Question] What about the points lawyers raise on the unconstitutionality of the tax accounting decrees governing them?

[Answer] The tax decree is that the deductions are to be made from the source in the case of petitions for suits which gentlemen lawyers present.

Since there is a case being contested on the constitutionality of the decree, the matter should be left to the judiciary.

Deduction from the Source

[Question] Accounting is done on the basis of revenues, or gross earnings. What about the case the Chamber of Printing of the Federation of Industries has raised?

[Answer] Tell them that the door to my office is open, and if they have a case which is based on opposition in principle, why shouldn't we have a discussion and agree on bases that will be satisfactory to everyone?

[Answer] The story about deductions from the source -- isn't the rate for contractors 1 percent and for professional activity 15 percent?

[Answer] Do you know how large the tax income from professional activity was in the last 6 months? It was no more than 5.5 million pounds. However, the deductions from contractors are made on the total volume of revenues. What professional gives receipts for his fees so that we can estimate the volume of his activity? If we ask the Tax [Department] not to go to excess in accounting, we must also ask taxpayers to commit themselves.

[Question] The office of the tax prosecutor accuses the Tax [Department] of being deficient in doing the accounts of wholesalers.

[Answer] When the office of the prosecutor got in touch with me and informed me of this, that was not the case at all. Nonetheless, we are now studying the possibility of doing their accounts.

[Question] How do you do the accounts of the incomes of parasites which have gone under investigation by the socialist prosecutor?

[Answer] We prosecute them, in order to obtain what the government is owed, whether they are individuals or even narcotics dealers. However, we do that only if the socialist prosecutor asks for an appraisal or tax accounts on any of the people who are being investigated.

How Do We Cope with Evasion?

[Question] Is the problem of tax evasion here indeed severe enough to be bothersome?

[Answer] It is a problem that exists in all societies, because it is connected to human nature.

[Question] What is the remedy?

[Answer] The struggle against this phenomenon is connected to a scientific principle which begins with the information system, and not by a census of the sections and streets. If we follow scientific methods we will eliminate 90 percent of the cases of evasion.

[Question] What about the story of liens on taxpayers in the event of the inability to pay, and errors, for instance when a lien is placed on a taxpayer who has already paid what he owes?

[Answer] In the case of inability to pay, it is possible to make instalments over a number of tax years, and the chief of the department can extend the period, as long as it does not exceed double the tax years.

[Question] What about excesses, if it is proved that they were deliberately committed by the Tax [Department]?

[Answer] For the first time, a rapid deployment office has been established whose task is to solve problems in non-traditional ways, without correspondence or exchanges of letters. This office investigates excesses by the Tax [Department] or cases of evasion, and gives notice of them at once.

Finally:

At the end of this report, we hope we have actually presented solutions to some existing problems and helped set out a framework for the essential relationship between the taxpayer and the tax men. Perhaps the recommendations of the chairman of the Tax Department will have eliminated many of the problems.

The Unified Tax Law is Still Being Prepared: Tax Rates in Egypt Are the Lowest When Compared with Many Countries in the World

I asked Dr Salah Hamid, the minister of finance, "What is your opinion on the accusation that the Tax [Department] goes to excess in estimating tax obligations?"

He replied:

"I would like proof. My door is open to complaints."

[Question] The proof is the fact that there were 74,000 cases before the contestation committees in January.

[Answer] Why shouldn't that be proof of the taxpayer's evasion of immediate payment -- he resorts to the contestation committees in hope of a reduction or to gain time.

[Question] There is an official written complaint in a report to the effect that the tax men rule out many expenses, even those related to social insurance obligations.

[Answer] Where is this complaint? My door is open. I would like to put my hand on a real complaint.

[Question] If conciliations were to take place on the cases before the contestation committees, that would yield 70 million pounds, which is better than 100 million in 3 years' time.

[Answer] I agree. Let them conciliate. The problem is that some taxpayers delay payment.

[Question] There is a request that the conciliation committees which were eliminated be brought back.

[Answer] They were eliminated by law. There was a great deal of discussion about those committees. The current contestation committees have relevant details which they issue, but the conciliation committees would conciliate without the relevant details, and that created a great deal of discussion in their regard.

[Question] Are you against conciliation?

[Answer] I am against conciliation in the case of evaders. The law considers tax evasion a crime which is detrimental to honor and the law prohibits conciliation in the case of evaders. That is the law!

[Question] People state that the motive for evasion is the high tax rate in Egypt and the number of taxes.

[Answer] The taxes in Egypt are the lowest. I had a foreign expert who was amazed to see that taxes in Egypt are lower than they are in many advanced countries.

[Question] Where is the unified tax law which we have been talking about for years?

[Answer] It is being drawn up by our experts in participation with foreign experts, some of whom are from Harvard University in America. However, it will take another year for us to finish formulating it and present it to the Consultative and Consultative [sic] Assemblies after the Council of Ministers.

[Question] Family expenses are exempted from specific taxes; why do we insist on including them in the category of general income?

[Answer] The new law stipulates that.

[Question] The legal principle is that it is not permissible to impose additional taxes on matters that are exempt.

[Answer] The law is on my side.

[Question] There is a judiciary ruling to the contrary.

[Answer] That is as far as the provisions of the old law are concerned, not the current law.

[Question] As far as general revenue taxpayers are concerned, they prefer to deal with the old law, because it offers better benefits.

[Answer] That is not true.

[Question] Why doesn't the General Society of Rulings and Legislation rule in this regard the way it did with respect to the review of investment company accounts?

[Answer] The law we have is clear.

[Question] You are thereby imposing harsh penalties on the government and public sector employees and small taxpayers who pay this tax.

[Answer] But that is the law. One should bear in mind that the payers of general income tax are not just government and public sector employees. If this were the case, the big taxpayers would benefit from it also!

[Question] You declared a form of conciliation last year and permitted taxpayers to amend their declarations without putting the law into practice.

[Answer] Yes, I did give permission for that, made an appeal on the pages of the papers, including AL-MUSAWWAR, and urged anyone who wanted to to amend his declaration. What was the result? No one came forward to do so, and the stipulated period ended without any results. What more can we do than that?

[Question] There are observations on the tax law itself, it is in need of amendments, and there is unanimity on these amendments.

[Answer] In the context of the previous law, the taxpayer had to pay 115 percent of his profits. Did anyone lose any of his capital, that is, did anyone pay what the law had stipulated? The issue is not the law. We need tax awareness. We need commitment. We need to have the people who make a profit realize that the society, social justice and economic and social development need what the government is entitled to, so that social peace can be achieved and these people can live under its protection, working and profiting in stability and peace!

A Ruling by the Council of State Ends the Dispute with the Investment Companies

There was a dispute with investment companies over when tax accounting should begin; the question was whether the period of the tax exemption should be calculated from the commencement of operations, after which the tax accounting would take place.

The investment companies asked that the period of exemption be calculated from the start of the fiscal year following the commencement of operations, and thus they would obtain another year of exemption. The Tax Department rejected this.

The General Society on Rulings and Legislation of the Council of State discussed a memorandum on that matter from the minister of finance and another memorandum from the Investment Authority. The Council of State ruled in favor of the Investment [Authority's] view.

Tax receipts from these companies are expected to drop this year because more than 238 companies' accounts were done on the basis of the Tax [Department's] opinion, and thus they will have a full year, for which they previously paid taxes, owed them by the department.

Indirect Taxes Are 70 Percent of Taxes in Terms of Volume

People who follow and analyze figures have been irked by the constant increase in the volume of indirect taxes relative to the volume of direct taxes. While the former were no more than 65 percent of the [total] volume of taxes in 1981, they rose to 68.5 percent in 1982, and in 1983 exceeded 70 percent.

Indirect taxes take the form of consumer taxes, stamp taxes, municipality and locality taxes, and some other sovereign taxes.

Economists prefer increases in direct taxes at the expense of indirect taxes. Direct taxes are a way of distributing income, but part of the burden of indirect taxes lies on people with limited incomes, because the taxpayer pays the direct taxes while indirect taxes are collected from the market and transactions in which ordinary citizens takes part.

Why Were the Tax Conciliation Committees Eliminated?

There used to be conciliation committees in the Tax Department. These committees have been eliminated in the new law. Why?

Ibrahim 'Abd-al-Mu'ti, the deputy minister for minister's office affairs, replies:

"These committees were eliminated in the law issued in 1978. Taxpayers would resort to the contestation committees, which were quasi-judiciary, and if they did not agree with the contestation committees' decrees they would resort to the judiciary, and, during the review of the case, would request conciliation, so an administrative committee would be formed for them and conciliation would take place.

"The decree of the contestation committee is issued with concomitant details, while the decree of the administrative conciliation committee is done without them, and fault has been found with these committees because of that. In addition, their existence is considered a means for evasion. The taxpayer would resort to the contestation committee, the assessment against him would be reduced, he would then resort to the conciliation committee and the contestation committee's assessment would be reduced. On top of that there are the drawn-out nature of the measures and the delay in payment of the tax due."

Should the Banks Open Moneychanging Offices?

AL-MUSAWWAR's economic editor has learned that the comprehensive measures aimed at promoting the Egyptian pound relative to foreign currencies, especially the dollar, contain a recommendation which had previously been

studied by the Central Bank which would have the effect of permitting public banks in Egypt to buy and sell dollars in accordance with variable price rules to be determined by the Central Bank from time to time, within the limits of the supply and demand for foreign currency.

Another recommendation that has been studied, which has met with great interest, is to have the four public sector banks open "moneychanging offices" which will assume the task of buying and selling hard currency from and to citizens.

As regards the financing of imports, that is done by banks by opening credits for the value of invoices which are presented and approved by the import guidance committees.

Regarding the logic in setting the rate, which had previously been declared within the limits of 112 in the case of the sales price, that rate was set in accordance with the rates at which Egyptians working abroad sell to moneychanging offices in the Gulf countries and Saudi Arabia.

On the other hand, the people in the banks have welcomed these measures, which will have the effect of weakening the hard currency market outside the banks, where imports are financed without the transfer of hard currency through banks. The investment companies can also make their transfers through the banks, and the market for trade outside legitimate channels will thereby be totally weakened.

When foreign remittances have flowed through legitimate bank channels, that has had the effect of creating a balance in the rate of the pound, without the interference of speculative activities which the hard currency dealers carry out, and that has the effect of bolstering the value of the Egyptian pound under protection from harmful speculation.

11887

CSO: 4504/227

FORMER DEPUTY CRITICIZES BAN ON RELIGIOUS PARTIES

Cairo AL-SHA'B in Arabic 7 Feb 84 p 9

[Article by Dr Sa'd Amin 'Izz-al-Din: "Why Aren't Religious Parties Established, and Why Does Mubarak Head the National Party?"]

[Text] I have been prompted to write by my love for Egypt, my admiration for the personality of President Mubarak, the climate of freedom of expression in our country at present, and the approaching end of the term of the present People's Assembly and the beginning of the term of a new assembly, which will resume as the index of political life in Egypt.

The law on parties includes an amazing article which prohibits the establishment of religious parties, as if religion and politics were two separate things. Muhammad, on whom be God's prayers and peace, taught people the affairs of their own religion, conducted their affairs in peacetime, led armies on raids and prayed with them as an imam in the mosque. He also sent envoys with his messages to kings and princes about the Arabian Peninsula, and the upright caliphs after him also acted on the basis of his guidance and his sayings and doings. However, we were surprised one day to see the slogan "no religion in politics and no politics in religion" raised!

Many advanced countries, such as Germany, France and Italy, permit the establishment of religious parties, and some of these parties have governed in their countries, for instance the Christian Democratic Party, the Christian Socialist Party, and so forth. In Israel there are many religious parties with representatives in the Knesset, and they have influence in the formation of the cabinet and its positions on important matters.

Some people might imagine that the establishment of religious parties in Egypt will have a harmful effect on national unity and social peace, but I consider that Christian tolerance and the permissiveness of Islam are the best barrier to the danger we are imagining. All religions are from a single source and the divine religions call for the worship of the sole, unique God. There is no greater proof of the permissiveness of the devout in our country than the Moslem Brothers' demand that Pope Shannudah be returned and that the newspaper MISR be issued again, as Mr Muhammad 'Abd-al-Qaddus wrote.

The establishment of religious parties will lead to the disappearance of terrorist religious organizations, and the headquarters of these religious parties will become free schools spread about the length and breadth of the country, bringing up youths and the people in virtue and love of the country and linking the world to religion. In addition, the majority of our people are devout, and the establishment of religious parties will guarantee that the Egyptian political void is filled. The rate of the citizens' willingness to perform their voting obligation will be twice as great as what we see today.

The article that prohibits the establishment of religious parties and eliminates them from the law on parties can be amended in the period of time that still is left to the present People's Assembly.

Another thing that causes concern is President Husni Mubarak's chairmanship of the National Democratic Party. Mubarak assumed power in accordance with the constitution and therefore this party has no credit for Mubarak's assumption of the position of president. Therefore President Mubarak is the president of all the citizens, supporters and opponents. The president's responsibility is hard enough so that his leadership of the National Party will add to the weight of his burdens. On top of that, this situation shakes the people's confidence in the probity of the elections, and therefore, and for all this, the president is above parties, and the best situation would be for him to be a ruler among the various powers and a father to all Egyptians.

11887

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VARIOUS MEMBERS OF LABOR PARTY CONDUCT DIALOGUE WITH MILITANT MUSLIMS

Cairo AL-SHA'B in Arabic 7 Feb 84 p 9

[Article: "AL-SHA'B Opens a Dialogue with the Young People in the Islamic Groups"]

[Text] AL-SHA'B newspaper has [illegible] a dialogue with Moslem youths who command Islamic groups in Egyptian universities. It is not a dialogue from a position of opposition or disagreement between them and the Socialist Labor Party; rather, it is a dialogue which is aimed at truth and knowledge, so that young people may present their visions of Islam without change or alteration, in total freedom.

We were the first to claim that they were entitled to freedom of opinion and to call for the holding of an objective, free dialogue with them which would not be marred by the flaws of imprisonment or intellectual terrorism.

The Ministry of the Interior endorsed our call but it held the dialogue with them in the prisons, where something akin to intellectual terrorism and lack of equality or evenness in opportunity between them and the other parties to the dialogue exists.

We are holding this dialogue with them on a basis of equality, evenness, the freedom to express views and the right to publish them. We are presenting the readers of AL-SHA'B with this proper model of dialogue and are inviting all of them to a dialogue over Islam so that they can express their opinions on the subjects this dialogue explores. The dialogue started with the subject of national affiliation within Islam.

Dr 'Abd-al-Mun'im Abu-al-Futuh, Dr 'Isam-al-Din 'Aryan, Dr Ibrahim al-Za'faran and Eng Khalid Dawud participated in the dialogue. They are commanders of Islamic groups at Cairo and Alexandria Universities.

Participating in the dialogue for AL-SHA'B were Hamid Zaydan, Majdi Ahmad Husayn, 'Atif Husayn and Ahmad al-Suyufi.

The Followers of Islam Are the Most Truly Nationalistic of People

Let us begin with Dr 'Isam-al-Din al-'Aryan, secretary of the cultural and political committee of the Federation of Medical Students at Cairo, advisor to the last legitimate students' federation in the republic and a founder of Islamic Student Action, which assumed the title of the Islamic Group in Cairo University and the Universities of the Republic. He said, "I was involved in journalistic activity in AL-DA'WAH magazine, and am not a stranger to journalistic activity. We did not come here to talk about matters of Islamic jurisprudence, to state 'this is permissible' and 'this is forbidden.' That is not the area in which we as an Islamic movement work, although that is part of our work, to be aware of the affairs of our religion, to know what is permissible and what is forbidden. Rather, we are confining all our activity in every field to the limits of what is permissible and forbidden because there is a place for every action in every area of life under the aegis of religion and Islam, specifically, as a comprehensive religion which differs from the other prophetic missions which have been revealed, or in some cases have deviated or restricted themselves to details, rituals and observances and have turned away from fields of life.

"The basic point of departure for anyone active in any field who wants to give his work an Islamic formulation is to seek the contentment of almighty glorious God, and he must know what is permissible and what is forbidden in order to satisfy God before he satisfies any human. The session we have come to is not the place in which to talk about what is permitted and forbidden; rather, we have come as young Moslems engaged in national action, if it is proper to restrict oneself to an Islamic view. In my opinion, the followers of Islam are the most truly nationalistic of people. Not to belittle the national spirit of other people, but the Islamic movement, or the Moslem Brothers, have been accused of not being nationalistic at times, but, to the contrary, in my opinion the Moslem Brothers or the people working for Islam who are brought together by this great slogan or this comprehensive movement are the most truly nationalistic of people, because they are the people who most love their country, are the people most devoted to their country, and are the people who work the most for the sake of its happiness and welfare, if this is the meaning of nationalism. However, if the meaning of nationalism is that we should sing old glories and protect the Pharaonic, we refuse to be a part of this nationalism, and we disagree that any nationalist could be a part of it. What is the present, what is the past and what is the future of our country? How can we serve it and realize benefits for it? We must bring all of this up, and bring it up from an Islamic point of view which is connected to the roots. The roots of Islam are this people's firm roots.

"Many conquerors and colonialists have dominated these people in succession, and they have rejected all of them. However, when the Islamic conquest came, all the people shifted. The Islamic conquest was a wondrous thing for all the world, since the people entered, indeed shifted over to the religion of these conquerors and became more devoted to this religion than those who had brought it as conquerors of Islam. The Egyptian people are the ones who most love this religion and reject all the old roots. These roots are now history and these people have knowledge of its nature, but there is nothing that we are trying to bring back again."

The Humanity of Belief

The statement Dr 'Isam made heightened the issue of the notion of nationalism in Islam, and everyone dealt with all aspects of the discussion. Dr Ibrahim al-Za'farani said,

"If the roots are old, then it is to God the creator that one is returning. However, for any country to appeal to some part of history is a kind of fanaticism which we reject. Rather, we aspire to a humanity which is brought together by one force, the force of belief and proper understanding of basic objectives. If anyone aspires to what is Pharaonic, we distance ourselves from that. We want all of mankind to become united. I do not function as a barrier, discriminating between myself and anyone, rebutting anything, pounding on the person who propounds any point and stating this is history. The history of man is the history of his return to his creator and his maker, and all humanity is as united as the teeth of a comb. No one is to be preferred over anyone else except in his devotion to God. However, if we prefer people on the basis of land, on the basis of form, on the basis of appearance, on the basis of geography, or on the basis of fabricated, discriminatory histories, that is not permissible; it is a fanatic racist process which we reject. We want the world to be receptive, anywhere anyone lives, to a belief and proper understanding which goes back to almighty glorious God, and it is the brother of man who belongs to this proper belief and tries to discuss with others. If he avoids what is pertinent from the standpoint of faith let all mankind speak as one, as almighty and glorious God called out, in his book, 'Say, people of the book, come speak as one among us and among yourselves, for we will return only to God; we will have no others in common with him and none of us will take lords besides God.'"

Nationalism Is an Aspect of Islamic Action

Khalid Dawud, a civil engineer, said, "I was commander of the Islamic group in Alexandria University when it first emerged. Perhaps the conversation has led us to talk about the issue of nationalism. Perhaps we, as followers of Islam, have a viewpoint on that which differs from some of the political tendencies that are to be found on the Egyptian political stage now. Nationalism is an aspect of Islamic action, as scholars stipulate and as Islamic law stipulates; if a part of Moslem territory is occupied, all the Moslems are in a state of sin until that part returns once more, and they all ready themselves for holy war. If that part is in Afghanistan, in China or in France, as long as it is an Islamic country and Islamic land, if a usurper takes it over, the Egyptians are all in a state of sin until that part returns to them. The call to Islam is not restricted to a piece of land or a given nation. That is, it is not just a nationalistic call. We state that it is a worldwide call which means that I can imagine a day, for instance, when the Moslems will have a party, in Egypt or in any other country, whose appeal will not just be a national one, and whose appeal will not be restricted to one area by itself; rather, the appeal to Islam is a worldwide appeal which covers the world; the prophet, on whom be prayers and peace, was revealed to all the people of the world and his appeal was not restricted to one period by itself or to one country by itself -- rather, this appeal was for mankind and the whole world, so that all of religion would be God's.

This is the end of the Islamic appeal, for all religion to be on the land of almighty glorious God. Therefore it is a worldwide appeal which is not confined to any place in Egypt or elsewhere. Rather, I am readying myself to defend the Moslems of Afghanistan, the Moslems of the Philippines, and the Moslems in Africa and everywhere Islamic land is being violated -- in Egypt primarily, but I do not believe that that is restricted to one country to the exclusion of another. This is part of our viewpoint on the national issue and national action in Egypt. The call must not be restricted to Egypt, but must cover all the areas of the world."

Islam Is a Worldwide Appeal

'Isam al-'Aryan: "Of course this statement which our brother Khalid made is the basis and is correct, that is, that Islam is a worldwide appeal which does not recognize geographic boundaries and its mission will not end until the religion prevails over the whole world. However, love of this country joins people who are active in the context of Islam with other people who are active in the national field. That means that in the first place we want this country to remain under the banner of Islam and be blessed with prosperity, welfare, security and peace under the aegis of Islam, and not be blessed except under the aegis of Islam. As long as it is remote from Islam, it will not be blessed by any bounty. Love of this country brings us together; love of the land on which we were raised, love of its people and love of its prosperity bring us together. This is a prelude at the beginning, but it does not stop at this point. Rather, it goes beyond it to other lands, the other lands of Moslems and in the whole world. If we look at the modern national movements which have assumed a national formulation or which have exercised national action within Egypt in the recent period, during the British occupation for example, we will find that they have all without exception confined themselves to the context of Egyptian nationalism and patriotism, except for the Moslem Brothers' movement and society, which adopted Islam in the sense which we assumed and which we understood, from its proselytizers and its books, to be the sense of worldwide Islam. It is now the only Egyptian movement which has branches and roots even though it has no legal existence and there is a legal prohibition against it, which is the greatest injustice to it. However, it has its roots and branches in the whole world, in the Islamic world, the European world, and the American world. For example, some time ago I came back from America, Canada and Britain, and we can say that that is an extension of the appeal of the Moslem Brothers in those countries."

We Call for Pride in Egypt

Majdi Husayn, of AL-SHA'B, [said] "The point you raised at the end is a point of the utmost importance, the notion of belonging to Egypt or the love of Egypt, which is foremost; its dimensions sometimes have not appeared in Islamic writings. The emphasis has been on the international or Islamic dimension, which there is no dispute over at least from our standpoint. The secularists do differ; they have Communist internationalism, or the rest. However, we do not differ with this. This cannot be not denied if we leave modern expressions such as security and nationalism to the side. We will always find the almighty's statement 'We have made you peoples and tribes,

so that you may get to know one another,' and the almighty's statement 'Warn your closest tribe.' We will find a distinction for the Quraysh, which for example has a special status. For example, my love of my birthplace does not conflict with my love for Egypt as a whole, and if the Islamic world were one world I am proud of Egypt, the place of my birth; we cannot say that that is the same thing, as far as I am concerned, but since there is special nostalgia and a special connection, it is not just an emotional issue. That issue has its political repercussions, for instance, like someone who tries once to say 'We deal with the Egyptian people' and is aware of that. We do not consider that to be bureaucratic all the way down the line, in the Marxists' way of speaking, or national fanaticism over our expressions. We do not consider that the Egyptian who realizes that his strength lies in his Egyptianness is in error, and we must not as Moslems crush this point within him and tell him that that is an error. There was Young Egypt. Our thinking always called for pride in Egyptianness, and it does not consider that the one conflicts with the other. For example, the events that are going on in the Philippines. Of course it is not reasonable that I should incite someone over the Philippines but not incite him over Egypt. That does not mean that I should meddle with the Moslems in the Philippines. For instance when we go to a factory and talk to a worker about his problems in the factory, that means that you are talking to him about the the problems of Egypt, and he tells you 'I cannot find any place to live in,' I raise that point because that might be a tactic in the history of the Islamic current that it is not concerned with this point always. It talks about higher principles and the final goal we all want. That is a fact over which we can oppose any fanatical position, but we do not consider Egyptianness or affiliation with Egyptianness to be different, or the Syrian belonging to Syria or the rest, as long as this matter is a link in an integrated chain, with Islam as the main link. The final points are that you referred to history as if it was national fanaticism, as if we were Pharaonic. That is a crazy claim."

'Isam al-'Aryan: There is a party which emerged and made a claim on that basis, and turned that into its slogan in the forties.

Majdi Husayn, AL-SHA'B: No, of course, that is to be rejected, but I am talking about the normal equivalent. You should be proud, and I believe that Shaykh Hasan al-Banna and others said, "By God, whoever wants to be proud of Pharaonic history as a nation, Islam does not conflict with that," but I do not want a Pharaonic society. That is out of the question.

Ibrahim al-Za'farani: You are reviving it. It is an appeal that died and you are reviving it as a possibility.

Majdi Husayn, AL-SHA'B: No, I am not reviving it. There is a difference between my taking pride, making the people of this land or the people of this place have confidence in themselves and telling them what their history is and what their present is, within limits, but I am not bringing back Pharaonic customs, such as a brother's marrying his sister, that sort of thing is out of the question, and I am not building pyramids or the like, but I am proud of the civilization.

The Affiliation Is with Islam Basically

Khalid Dawud: There is an innate love which is imprinted in the spirit of man for his land and nation in which he grew up, such as his love for his mother and father. That is something we are not disputing. However, when does the matter become evident? Why should we say that affiliation with Islam, basically, is for a fundamental reason, which is that the matter becomes evident when there is a conflict, in the sense that the prophet, on whom be God's prayers and peace, came out stating, "By God, you are the most beloved of God's countries to me and had your people not expelled me from it, I would not have left," so therefore the place is no longer relevant to him, because he is fighting it. I also mention in the book by Shaykh 'Abd-al-Halim Mahmud, as he was talking about the Brothers' appeal, he mentioned his incident that they had brought a Britisher who had become a Moslem and started to give lectures at the university, and there was a plan, it appears, the tragedy behind it was that he was making a show of Islam and dazzling people with his adherence to Islam and diverting people from talking about Islam as a religion and a state, or as a religion, Islamic law, and politics, and starting to try to shift people over to worship, so that he would just restrict Islam to customs, which are essentially just a part of it, and not all of Islam. They asked him a question by which they embarrassed him after these lectures had ended completely, telling him, "If Britain went to war with Egypt, what would your position be?" The man stuttered and was exposed before people, and the lectures ended on this basis. Therefore the important thing is affiliation when there is a conflict. For example, is it to Egyptianness or Islam? Without a doubt it is Islam we are concerned with, but there is an innate love, for instance when Abu Bakr the righteous and his son 'Abd-al-Rahman were fighting, 'Abd-al-Rahman in the ranks of the idolaters and Abu Bakr in the ranks of the Moslems, and 'Abd-al-Rahman hid from his father so that he would not confront him and fight him. However, Abu Bakr told him "If I see you I will kill you" and we see that although there was innate love for the father and innate love for the son, when there is a conflict it is Islam first and last. A second point is that it is not correct for me to measure a fact by Egyptian feelings, because they are not the standard by which we make measurements. My rising up on behalf of the Philippines must be like my rising up for Afghanistan, like my rising up for the Philippines. It is very wrong for a person to be preferred because he is an Arab or a Britisher or an American; from the Islamic standpoint, my feelings toward the Britisher must be like those toward the Arab, like the Syrian; they are all equal because they are all on the land of the Moslems. Therefore my emotional reaction to the Palestine cause should be like my reaction to the cause of the Philippines, like my reaction to the cause of Afghanistan. There is no difference among them. My love for Egypt, which is my country, is an innate and natural thing but if it conflicts with my love for Islam, I will give priority to Islam.

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AD HOC NATURE OF NEWLY CREATED PARTIES CRITICIZED

Cairo UKTUBAR in Arabic No 386, 18 Mar 84 pp 14, 15

[Article by Mahmud 'Abd-al-Mun'im Murad: "Canned, Hastily Manufactured Parties"]

[Text] When the way was paved for the proliferation of parties, it was decided that each party would have the right to issue its own paper. The judiciary decided to permit two new parties to engage in activity, and then there then were six parties in our country, which could be added to, and four party papers, which could also be added to. We then were on the verge of entering into the adventure of the new election campaign, for which there had been no precedent in more than 30 years, voices which had been suppressed cried out, new voices appeared, from amateurs and professionals alike, shifts occurred in the positions of politicians, writers and journalists, giddiness began to play with many people's heads, and the world was turned upside down, the old confused with the new, the left with the right, and the enemies of the revolution with its partisans. The noise increased, and it will increase as the remaining days go by; these are not many in number. It is now necessary for a person to carry a lamp by which to light the road, for the intensity of the throng and the proliferation of fog, take a dictionary in which words are explained, or gather the documents of the past, so that people may become acquainted with the facts about individuals, now that they have all put on new clothes, like children's holiday clothes, to which they add horns and balloons, riding carts in groups, and singing serious and silly songs.

Since history was not written as it should have been, especially after the revolution came, and millions of young people who now have the right to vote did not live through the prerevolutionary period and cannot remember or realize what happened in the fifties and sixties, it has been necessary that these generations seek the aid of patience and the intellect: the patience to hear out all contradictions and the intellect to distinguish between right and wrong, history and folklore, words of truth and tendentious claims.

That is a very difficult task, because unfortunately during the brief period that has elapsed, in which the new parties have appeared and issued their

papers, we have not been able to offer people specific ideas and carefully studied programs which might be embraced by parties for which there is no suspicion on how they were formed or what they intend to do. The meal has been burnt to a crisp. It is not of a specific kind of well known food, but resembles an American salad, in which fish is mixed with milk, salt with sugar and cauliflower with cream, and each group has ventured to gather up the fruit or vegetables or weeds that it can and has put them in a tin can and called it a party.

Adults and old men know one another, but young people do not know adults very well. When I talk about adults and old men I am talking about persons, because principles and programs have only secondary standing, and perhaps none at all. Therefore, young voters are bewildered by the whirlwind of names and do not know how to come up with specific opinions about them. The chaos in voters' spirits is increased when the members of the opposition have not held any power in recent years so that we might know what services they have performed for the country during their tenure, or what reproaches might be recorded against them. Some of them assumed ministerial positions in distant periods that have gone by, and the verdicts on these eras, as stated previously, are contradictory. As long as old people come into the arena, there is no longer anything to prevent an investigation into their past. Regardless of what has been said to the effect that the views of people develop and change with the passage of time and changes in concomitant political, economic and social conditions, states and circumstances, there are elements of stability in the human spirit that are of significance. However circumstances might differ, one cannot separate the present from the past. For example, as soon as the judiciary ruling on the restoration of the New Wafd Party was issued, young people started to wonder, "What is the Wafd Party? What is its history? What is its position? What prompted it to leave the political arena and abandon the stage to the 23 July revolution?" In fact, the questions have reached the point where the history of Sa'd Zaghlul and his adversaries, the rifts in the Wafd Party, and the circumstances of the secession of the Constitutional Liberals, the Sa'dists and the Wafdist Coalition from its ranks are being investigated again. Many people have written about the 4 February 1942 incident and about the Cairo fire of 26 January 1952. Some of these events are still obscure.

As Mr Fu'ad Siraj-al-Din is the leader of the New Wafd Party, young people wonder about the real nature of his personality, his inclinations and his real role in the old Wafd Party. To add to the confusion, the people who attacked him most severely when he was in power are the people who support him most intensely now. How can the truth come out?

What is said about the New Wafd Party can be said about the Socialist Labor Party. Its chairman now is Eng Ibrahim Shukri, who is a sincere nationalist. However, he belonged to the Young Egypt Party, which became the Socialist Party under the leadership of the late Mr Ahmad Husayn. Much has been stated in favor of and against the Young Egypt Party. Young people do not know how the party started, who was behind it, what the story of the Green Shirts was, what its relationship to Kamal Ataturk's party was, and what its goals were. Then Eng Ibrahim Shukri, one of the leaders of Young Egypt, soon joined the 23 July revolution; how can one talk about him unless one talks

about the 23 July revolution itself, and Ibrahim Shukri's role in it? What is said about Ibrahim Shukri can be said about Muhammad Hilmi Murad, his partner in Young Egypt and the 23 July revolution. Indeed, much can be said about him because he was a New Wafd Party deputy in the first stage of its establishment. Now the two parties are exchanging open criticism. In last Tuesday's issue of AL-SHA'B newspaper, the organ of the Labor Party, there was a long article in which the writer condemned the old Wafd Party, reminding people of the 4 February incident. Then what is the real relationship between Mr Fathi Radwan and the Labor Party, which issues ALSHA'B newspaper, in which Mr Radwan writes a weekly article attacking America, specifically, more harshly than what most communists write in their paper? Some young people wonder if Mr Fathi Radwan did not share power in the days of 'Abd-al-Nasir, from the period when Nasirist-American relations were as strong as they could be, and the American ambassador, Caffrey, played a big part on the Egyptian political stage, and wonder how he then moved over to the extremist left and is now talking only about the failures of America.

When we move over to the Grouping Party, we will find that it is a mixture of people who had affiliations in the past that differed most intensely. There are people among them who believe totally in Marxism, there are people among them who believe totally in Nasirism, there are people among them who believe in both of them, in the form of a mixture that does not have a clear basis, there are people among them who are Arab nationalists who do not exactly know their own identity, there are people among them who are the remnants of Ba'thists who had relations with the Syrian Ba'th from the time of the union, and there are people among them who are religious, extremist or moderate and call themselves the enlightened devout because they live in the brilliant light of Marxism.

They ask me about the Liberal Party. I have said, and do not want to deny what I said, that that party is preserving a clear line and a right-wing policy, and is sticking to it, but they ask me specifically about its chairman. All I know is that he was one of the free officers who carried out the 23 July revolution and I believe that his relationship with the late President 'Abd-al-Nasir was good, as was his relationship with the late President Anwar al-Sadat. The man apparently still has good relations with the regime that came after them although he differs with some current economic policies. He is a public sector figure; I believe that he is still pursuing activities in this sector, which has not been spared his numerous criticisms, and, as is said, that he has extensive private activity. In any event what the Liberal Party is suffering from is that it is not a party of brilliant stars from the distant past, the recent past or the present we are living in. Its entire problem is that it lacks personnel, from the lower ranks to the upper ranks. Because of its clear policy and its declared programs, it deserves to have greater numbers and greater solidarity with the masses as a whole.

Except for the Liberal Party, it seems that the opposition parties have not yet reached the level of genuine parties that deserve to enter an election campaign on a party basis or on a personal basis. They are combinations of persons rallying not behind principles, goals, programs or carefully studied plans but behind other persons who have the fame or the ability to raise

their voices, which brings them supporters from every direction. The proof of that is evident. None of the five parties in the opposition has not tried to attract remnants of people to their ranks who have religious inclinations, whether from the Moslem Brothers or diverse moderate or extreme groups. The National Party itself has done that to a certain degree. It has a religious magazine, as does the Liberal Party. The newspaper AL-SHA'B and the Grouping's newspaper devote extensive space on their pages to the views of men of religion. This issue has come to prominence in recent days, controversy has arisen over theocratic government and secular government, and many people have competed with one another in demanding the application of Islamic law.

Thus the new parties have become canned parties containing unknown foods, some of whose period of freshness has elapsed, and everyone is at the mercy of his own luck. You can take a party can hoping to eat pears from it, and find that it contains Portuguese sardines, marinated fava beans, or anything that might come to one's mind. The important thing is that there is a name on every can, and the names are not the same. However, the contents might not differ from one to the other.

It would have been more accurate for these parties all to call themselves by the names of their leaders. That would have been easier and simpler and made it more possible to define them to the people. The party of Mustafa Kamil Murad, the party of Ibrahim Shukri, the party of Khalid Muhyi-al-Din, the party of Fu'ad Siraj-al-Din and the party of Ahmad al-Sabahi are more accurate descriptions and definitions than the official names of all these parties. Young people who want to know the truth about these parties must first of all know the truth about these persons, because, as I said, the parties are all groupings around persons who are linked by ties of blood, collaboration, personal interests or congeniality. Indeed, it is possible that a special temperament unites them all in their gatherings, in their private sessions. There might also be mutual loathing among them. The game of the coming elections dictates this. It is not reasonable that Shaykh Salah Abu Isma'il should be convivial with Mr Fu'ad Siraj-al-Din or Dr Wahid Raf'at at a special meeting and enjoy a particular meal or drink. I also cannot imagine real personal harmony between Ibrahim Shukri and Fathi Radwan, unless the latter does not belong to the Labor Party so much as he belongs to AL-SHA'B newspaper, in which he persistently publishes his articles to put his spirit at rest and clear out his heart, now that the ruler has departed, enormous sums have been spent, and it is now possible only to wear a belated hero's garment.

Yes, these are parties of names. it would be better for all of us, when we choose a party can, to ask that the name of its owner be put on it -- the name of the person, not the name of the party. The Nation Party means nothing, except that it is the party of Ahmad al-Sabahi. The New Wafd Party means nothing except that it is the party of Fu'ad Siraj-al-Din. The rest are the same. Young people, as I have said, must conduct an investigation in the papers or in books, or talk with the old men who are still alive, to know who one person or another is, what he expects from him and what services he can offer the nation. This is not the time for making comparisons on the basis of principles, programs and goals, because the party factories

here are hastening to produce their goods in the face of increasing demand for them. Their owners have ventured to produce these canned parties without attention to the requisite specifications and standards. I am not alleging that they contain rotten food, or dog or cat meat, instead of beef, but I will content myself with saying that these are mixed, similar unripe canned goods that have been offered to the masses, which have been confused about making a choice because of the paucity of correct information concerning the contents of these canned goods, which have been produced in a hurry.

The strange thing about the matter is that out of 45 million people only the people whose names have appeared in this passing commentary have ventured to preoccupy themselves with political and party life, although the country is full of excellent capable people and experts in all fields of production, services, economics, banks and politics and I do not know why everyone who finds the ability within himself to make sacrifices and participate does not come onto the stage. I do not know, either, why the opposition parties cannot attract a number of them to their ranks. If there were space, I would mention the names of 1,000 major figures whose expertise, experience, knowledge and fields of specialization we need. However, a surprise might occur in a month or two, and a number of them might come forward to fill the void. The important thing is that they come forward, whether in the ranks of the ruling party or the ranks of the opposition. Otherwise, next May will end and here we will be as we were 5 years ago, screaming out complaints about the overwhelming majority the National Democratic Party has won and the absence of a serious real opposition. Would that that were enough, but perhaps we will hear voices stating that the elections were not clean and that the administration interfered, with its influence, or that the voters were not enthusiastic about giving their votes.

In spite of that, one should realize that all evidence indicates that good will is undoubtedly being mobilized for the sake of clean elections under a unified administration. People will blame the government, rather than blaming themselves, and will call for further freedom and democracy, while in reality no one wants to enjoy this freedom and democracy. This is the real tragedy.

The people face an opportunity to choose their real representatives for the first time in more than 30 years. The president, who at the same time is the chairman of the ruling party, will not be angry if one party or another wins. He has said so openly more than once. The people who consider that the National Democratic Party does not deserve to have a monopoly of power must convince the masses of this. But whether the voters shrink from going to the ballot boxes, some opposition parties stifle the others, or they all fail in obtaining the necessary seats to take power, I believe it would be unjust to blame the National Democratic Party if it manages to till the rudder of affairs another 5 years.

Everyone will soon know his place and position.

LONGSTANDING SEQUESTRATION CONTROVERSY EXAMINED

Cairo AL-AHRAM in Arabic 14 Mar 84 p 3

[Article by Rajab al-Banna: "Sequestration Whirlpool, When Will It End?"]

[Text] A few days ago the Court of Cassation ruled that sequestration decrees issued since 1961 are considered null and void.

Some imagined that this ruling was new or that it would bring an end to the whirlpool sequestration cases go through.

The fact is that the ruling confirmed a principle established years ago, but it nevertheless opened a new door--for a new whirlpool--that escaped everyone's attention.

The ruling presented a new problem to the courts on top of the heaps of other problems that came before the highest court of our judicial system, the Constitutional Court. And the serial goes on.

The story, according to the government's legal counsel, 'Aziz Anis, began on 18 October 1961 with a decree issued by the president of the republic ordering the sequestration of properties and real assets of a large number of people. This decree was based on the emergency law passed during the then state of emergency and was followed by one sequestration decree after another. This was the first episode.

In the second episode, a decree was issued in 1963 conferring upon the public sequestrator the right to sell real property to insurance companies. Another decree granted the sequestrator the authority to sell sequestered agrarian land to the Agrarian Reform Authority. The Sequestration Agency did in fact sell buildings to insurance companies and agrarian land to the Agrarian Reform [Authority].

In the third episode, insurance companies either sold some of these buildings, added more floors to others or tore down some to put up new buildings in their place. Agrarian Reform distributed land to small landlords and gave them title deeds. Buildings and agrarian land changed hands and new owners had the right to say at the top of their voices that they owned the property because they had paid for it and had legal deeds to prove it.

Then Raged the Storm!

In the fourth episode, a storm raged from the Council of State on 7 May 1974 when Justice Ahmad Kamal Abu-al-Fadl, president of the Administrative Cases Court, ruled that presidential sequestration decrees based on the emergency law are null and void because the emergency law allows sequestration of companies and not individuals. Therefore, all presidential decrees are in such gross violation as to render them non-existent. The sequestration agency appealed this ruling.

But the Supreme Administrative Court, under the leadership of the then head of the Council of State, Justice Tahir 'Abd-al-Hamid, settled the case on 29 September 1979 when it ruled that there was no law permitting the president of the republic to order the dispossession of personal property and that sequestration decrees only apply to nationals of hostile countries or those countries who had severed diplomatic relations with Egypt. As for Egyptians, there was no law permitting sequestration against them.

Then Came the Whirlpool

After this storm things changed. All those who sought the help of the Council of State obtained a ruling that the sequestration decree was invalid and considered null and void.

All those who resorted to the civil courts obtained the same ruling on the basis of the same principle: Sequestration orders against individuals were invalid and related decisions were null and void.

After the storm came the whirlpool. It began with a ruling passed by the Supreme Constitutional Court headed by the current minister of Justice, Ahmad Mahmud 'Atiyah.

That was on 16 May 1981. The court had before it a challenge to a 1964 law, Law No 150, which stipulated that properties and real assets of persons sequestered under the emergency law were the property of the state. It ruled this provision unconstitutional and therefore ineffective. There was another provision in Law No 69 of 1974 stipulating that individually sequestered properties should be returned to their owners or maximum compensation offered. Therefore, this means that all properties must be returned. Hence, the legal chain was complete: Sequestration under the emergency law was invalid, sequestration decrees were null and void and sequestered property must be returned in full. The problem is how to return the property.

On the face of it, the matter is simple. Properties are returned in full because they were taken in accordance with invalid decrees. But when it came time for application, impossible problems appeared because many long years had passed.

The problem, according to Justice 'Abd-al-Ghani Jad, legal counsel to the Sequestration Agency and legal advisor to the government, is that many people affected by sequestration filed suits demanding that measures taken against their properties be declared invalid, and the courts ruled in their favor. The Agrarian Reform Authority contended, however, that 18,000 feddans of sequestered

land had already been distributed to 9,000 families and asked that amends be made through legislation in order to safeguard the rights of old and new landlords. Moreover, insurance companies contended that buildings they bought from the Sequestration Agency were valued at close to 20 million pounds and were the property of insurance holders and the insurance companies. More than 20 years have passed and the insurance companies have sold 190 buildings and deeds and some of them have been recorded legally and with good intent. To pronounce title deeds null and void is to subject the insurance companies to a shock when they have committed no wrong. Many of these properties have been changed or renovated and some have been designated for public use.

To disengage the clashing parties, according to Justice Mamduh 'Uthman Najib, former head of the Cairo Appellate Court, Law No 141 of 1981 was promulgated to settle conditions arising from sequestration.

Article 1 of the law stipulated that sequestration orders against natural persons, their families and their heirs, based on the emergency law are considered null and void. All resulting effects shall be eliminated in the manner described in this law.

The law defined the method of eliminating sequestration effects, as follows:

Unsold property or property not turned over to small farmers shall be returned as is to the rightful owners.

Sold properties or properties distributed to small farmers are impossible to return, and therefore, their owners shall be compensated. With regard to agrarian land, compensation shall be equal to 70 times the 1981 due tax on it and compensation for real properties shall be equal to the price mentioned in the sales contract. Movable properties and stocks sold will be compensated in an amount equal to the original selling price, plus 50 percent thereof, plus a 7 percent increase for every year from 1974 to the present time, that is, 49 percent.

But Did the Law Undo the Complications?

Yusuf Shalabi, head of the Sequestration Liquidation Agency, says, "The 1981 law has actually been put into effect and the agency has paid out compensations in the amount of 30 million pounds; one person received half a million pounds. We have received many letters of thanks from people who got back their rights without effort."

But The Whirlpool is Not Over!

The whirlpool continues in the courts because owners of sequestered properties filed suits asking for their properties instead of compensation, saying that the value of their properties has gone up many times over. Insurance companies filed suits claiming ownership of these properties which they bought for a fair price at the time. More than 5 years have passed and the civil law stipulates that possession for 5 years by means of contract secures the right of ownership.

For example, the Marriott Hotel in Zamalik is facing a legal suit filed by the Luftallah family, which claimed that they owned the land and building of the

old 'Umar al-Khayyam Hotel which were sequestered. The Sequestration Agency sold the hotel to the Egyptian Hotel and Tourism Company for half a million Egyptian pounds in the sixties and the Egyptian Hotel Company signed a contract with the international Marriott Corporation which razed the old hotel and built a new one in its place. They contended that so long as sequestration orders are invalid, the land and the old hotel must be returned because the new hotel was built illegally.

Another example: the Sidnawi family owned a villa in Garden City that was sequestered. The Sequestration Agency sold it to a reinsurance company which added new floors to it and made it its headquarters. The Sidnawi family went to the court of first instance demanding the building itself and not compensation. The court ruled against them, so they went to the appellate court which ruled in their favor. The company went to the court of cassation invoking the statute of limitations and contending that the appellate court did not consider the fact that the company had a contract and had paid for the building which was legally its property. The court of cassation reversed the ruling and sent it back to the appellate court for consideration of the statute of limitations as an inherent defense that could overturn the ruling. Some misunderstood the ruling, imagining that the court of cassation ruled that the villa should be returned to its owners.

Some owners of sequestered properties went to the constitutional court for a repeal of Law No 81 stipulating compensation for sequestered properties and demanded the return of their property. The constitutional court has not yet handed down a ruling.

Some thought that sequestration was over, but the Socialist Prosecutor's office reminds them of Law No 134 of 1971 regulating sequestration. According to the assistant Socialist Prosecutor, Counsellor Husni 'Abd-al-Hamid, sequestration is still in effect but can only be imposed by a legal verdict and only applies to illegal gains, corruption and fraud in carrying out government contracts, drug smuggling or dealing in contraband, dealing in the black market and illegal seizure of public or private properties owned by the government or artificial persons. Sequestration comes under the jurisdiction of the court of values now.

However, even the Court of Values, which has jurisdiction over all sequestration cases, has entered the vicious circle because the court of cassation is also pronouncing sequestration judgments in the belief that it has jurisdiction.

A suit was filed with the constitutional court to decide who has jurisdiction, the court of values or the court of cassation. The constitutional court has not yet pronounced its judgment.

And the vicious circle goes on!

12502

CSO: 4504/219

CONTEMPORARY ISLAMIC VIEW OF DEMOCRACY PRESENTED

Cairo AL-AHRAM in Arabic 19 Mar 84 p 7

[Article by Dr Jamal-al-Din Mahmud, secretary general of the Higher Islamic Affairs Council: "Rule of Majority, Rights of the Opposition"]

[Text] The problem of rule is one of the major Islamic issues that was the subject of discussion among Muslim intellectuals many centuries ago. Whereas contemporary democracy, with all its visible examples in countries with deep-rooted democratic orders (West Europe in particular), is considered the form of rule Third World peoples strive for, the Islamic vision of contemporary democracy in Egypt must be explained in particular because Egypt, by virtue of its distinct position in the Arab and Islamic world and its unique cultural heritage, cannot be classified as a Third World country. If light is to be shed on the Islamic vision of contemporary democracy, we must not hold on to the conventional terms of contemporary Islamic or political thought so as to avoid a conflict between form and substance. We must also avoid arbitrary attempts to bring Islamic thought closer to other thought so as not to alienate it.

The most important characteristic of contemporary political democracy is the principle of the majority's right to rule and the opposition's right to express itself by legitimate means, to criticize and expose faults, to express confidence in the government and to seek power by gaining the people's trust through general elections.

The term "the rule of the majority," is not found in Islamic political thought, but the idea of relying on the opinion of a large portion of the population and the will of the majority is not alien even to Islamic jurisprudence. This is amply illustrated in the concept of pledging allegiance to the ruler who has the right to assume power, if acknowledged by all or most of the people, in view of the fact that consensus is not a prerequisite, as was the case with Abu Bakr, 'Uthman and 'Ali, who were paid homage as Caliphs. The concept of relying on the majority is also manifested in weighing differences and conflicts. In the book, "Reply to al-Bataniyah [mysticism]," Imam al-Ghazali said: If they disagree on the principle of things, the majority must be favored because it is the strongest course of preponderance. Imam al-Mawardi said that in differences between the people of the mosque in choosing an imam, "the majority opinion must prevail." There are many other such examples in the body of positive rules and

regulations. Some Islamic scholars believe that consensus, a source of legislation, means plurality or overwhelming majority of opinion. Consensus, in the view of Imam al-Tabari and Ahmad Bin Hanbal, can be the opinion of the majority. The late Shaykh Mahmud Shaltut said in his book, "Islam: Doctrine and Shari'ah," that consensus in the sense of the agreement of the majority is an appropriate basis for binding legislation. Thus, if the opinion of the majority is appropriate as a basis for legislation "when it is not definitive revelation," it is all the more appropriate for assuming power. Islam does not acknowledge the rule of the elite, the group or the class, which is contrary to the concept that Islam entrusts power to the elite on the assumption that the majority is not always right. Those who are of this opinion justify their view by the fact that many Koranic verses, such as "But most of them follow nothing but fancy" and "But most of them know not," show that a right level-headed opinion is not necessarily contingent on the majority. This interpretation cannot be challenged in itself ipso facto for it is the indubitable truth. Nevertheless, Islamic thought, in our view, fully acknowledges the concept of majority rule, followed by all democratic orders primarily because it is the only pragmatic concept that prevents social discord. Majority rule based on the consent of the majority brings security and stability to society, both of which are true Islamic objectives, not to mention the association of that which is right with the opinion of the majority. Nothing invites discord more than the exclusive power of the minority or its representatives in power. The Koran forbade the circulation of money among the minority, that is, the rich, by saying "in order that it may not make a circuit between the wealthy among you." It is all the more reason therefore not to have the rule, which is as important as or more important than money, confined to one class, faction, sect or group, irrespective of their personal, class or intellectual characteristics.

However, we do notice an objection from the Islamic point of view to the concept of party majority in particular. Muslim intellectuals no doubt have had misgivings about the concept of parties in contemporary democracy, due to the many Koranic verses and prophetic traditions that order to "hold fast, all together, by the rope which God stretches out for you and be not divided among yourselves" into factions and parties. We believe that there is an aversion to the word "parties" itself because of its relation to the parties which came together to fight the Prophet, as mentioned in the Koranic Surah, Ahzab [parties]. It is concluded that parties are harmful and there must only be one party, the "Party of God." However, this has nothing to do with the matter under discussion because the "Party of God" is a religious and doctrinal concept unrelated to the changeable temporal interests and the many reform policies which are, by their very nature, a point of contention depending on the people, time and place. This was true in the era of the Prophet and the orthodox caliphs and no one denied that on the pretext that people must be "one party in their opinion and thought" when it comes to temporal issues and changeable interests.

Undoubtedly, the rule of the majority does not mean abandonment of the minority's rights or denial of the opposition's right to express an opposing view, to criticize and to seek power by winning the confidence of the people. The right to express an opposing view goes back to the time of the Prophet who sometimes exercised it in temporal matters (deciding army positions or means of defense) and listened to opposing views without rejection or punishment.

Opposition is the other face of counsel in government and an Islamic duty. Opposition in Islamic thought, however, is not for the purpose of taking over power from the existing rule by any means, nor is it a shadow government. It is founded on mutual protection among the members of society, as mentioned in the Koranic verse: "The believers, men and women, are protectors of one another." Protection in the sense of supervision, mutual assistance and cooperation gives each member the right to turn to the people's public interests so that attention will not be exclusive to the rulers alone. We also find its roots in the advice to the rulers contained in the Prophet's tradition, "Religion is advice." Therefore, opposition in Islamic thought is unconditionally preordained to individuals and groups alike. In Islamic application during the era of the orthodox caliphs, this right was widely recognized and not restricted in favor of any one caliph. Rather, expression of opposing views, giving advice and demanding rights for individuals and groups were ordinary happenings acknowledged by the orthodox caliphs without any restraint or oppression, even if the legal claimant overstepped the boundaries of expression, as when 'Umar was told "if we see in you crookedness we will straighten it with our swords." Examples from that era are too plentiful to cite, but they are characterized with good intentions, legitimate methods and openness.

Whereas the right of opposition is forordained to individuals and groups, Islamic thought is more receptive to opinions originating in a private mind or a pure heart because opposing what is right or not opposing what is wrong out of obligation to the party is unacceptable to Islam, and party obligation is deemed of no consequence. Obligation can be portrayed in principles and ideals, rather than in positions or behavior that may be wrong or perverted. Individuals with independent thoughts and opinions have the right to oppose and to express their opinion. Indeed, opposition by the "independent" is closer to Islamic moral standards than party opposition.

Nonetheless, it must be said that majority or opposition principles must be within the framework of Islamic rules. If the constitution were to adjudicate that these rules must be guaranteed in the principles that guide the various political parties, all the fears and apprehensions expressed by Muslim intellectuals about the contemporary democratic system, based in essence on the rule of the majority and the guaranteed rights of the majority to express its viewpoint, would be dissipated. We believe that this system in essence does not conflict with Islamic thought. Rather, it encompasses a radical remedy for the difficulties the Third World, which includes a large number of Islamic countries, is facing in transferring power, a process which often ends in death or violence.

However, what Islam clearly and unequivocally rejects is autocracy and the squandering of people's rights and freedom, regardless of whether we conceal this autocracy in the image of an "inspired leadership" or a "reigning class" or a "ruling elite," even if they fawn on Islam because they are resolved to use it rather than serve it.

JUSTICE MINISTRY INSTALLS NEW COMPUTER SYSTEMS IN COURTS

Cairo AL-AHRAM in Arabic 16 Jan 84 p 3

[Article: "The Computer Enters the Court!"]

[Text] The computer has also entered the arena of the courts.

Practical steps have been initiated in the court of cassation to introduce a minicomputer system to assemble the rulings the court has issued since its establishment in 1931, catalogue laws and legislation and organize the monitoring of contestations and administrative processes in the court for the sake of speed and accuracy in the preparation of the legal research that is of concern to the members of the judiciary and people involved in the law. It is a new experience which is being introduced into Egypt's courts for the first time, so that they may catch up to the courts in other countries where computers were introduced many years ago. A unified index has actually been prepared for all the rulings of the court of cassation since its establishment. This court is considered the end of the road for litigants, on grounds that it is the highest court of judiciary oversight reviewing contestations of appeals and criminal verdicts.

Counsellor 'Adil Nur, chairman of the court of cassation, identified the features of computer use in the court of cassation as a number of areas starting with the collection of the principles of the verdicts of the court of cassation in all branches of the law, followed by a number of steps for storing information in order bearing on all legislation and amendments to it, as well as research in the law and jurisdiction. In addition, the computer will be used for administrative processes in the court regarding matters connected to employees and the monitoring of the course of criminal contestations in the sessions and the verdicts issued on each contestation.

These matters will provide numerous benefits for the men in the judiciary because most of the effort and time of the men in the judiciary, and the men of the law in general, is spent on legal research into cases and the use of equipment will save them this effort and time, enabling them to rule on a greater number of cases.

It is well known that the automatic storage system has existed for a number of years in foreign courts, in the United States, France, Britain, Germany and other countries.

Concerning the activities bearing on the introduction of the computer into the court of cassation, which has actually been carried out, the counsellor and chairman of the court said, "We have actually completed the first basic steps from the legal standpoint in carrying out the automatic ministorage system. A fixed, consolidated index has been prepared for all categories of principles of the provisions of the court of cassation, from the date of its establishment.

"This index will be the preliminary nucleus for the storage of information in the system, since the principles related to each subject, and its branches and details, will then be attached to this, and thus it will be possible to start work as soon as the system arrives.

"We have asked for an allocation of 35,000 pounds to buy the main parts of the system along with some additions, so that there will be a possibility for adding other appendages to the system in the future."

But has a special team been prepared for operating the computer within the court?

Counsellor 'Adil Nur added, "The process of training in the mini system does not need special expertise except proficiency in typing, basically, then training in the use of the system. This training takes only a few weeks. The mini-system is different from the big systems, which require specialized studies."

11887

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PROBLEMS ARISING FROM SHIFT IN TOURIST EMPHASIS REVIEWED

London AL-TADAMUN in Arabic No 48, 10 Mar 84 p 66

[Article by 'Abd-al-Qadir Shuhayb: "A Tourist Problem Looking for a Solution: The Number of Tourists Is Increasing and Tourist Income Is Dropping"]

[Text] In Egypt there now is a tourist problem for which experts are seeking a solution: the number of foreign tourists visiting Egypt annually is increasing while tourist income is constantly dropping.

The latest report by the Mobilization and Statistics Agency in Egypt states that the number of foreign tourists who visited Egypt in the first 9 months of last year came to 1.1 million as compared with just a million in 1982; the rate of increase in the number of tourists came to 4.8 percent.

At the same time, the volume of tourist remittances made in that period came to just 178.6 million pounds, as compared with 228.5 million pounds in the corresponding period of 1982, or a drop of about 50 million pounds or 23 percent.

Thus, the number of tourists who visited Egypt in the first 9 months of last year increased by about 100,000, while Egypt's tourist income dropped by about 50 million pounds!

An Old Phenomenon

This phenomenon is not new to Egypt. It suffered from it in 1982 as well, when about 1.4 million tourists of various nationalities visited Egypt, as compared with 1.3 million tourists in 1981, and, despite this improvement in the numbers of tourists which Egypt witnessed in the wake of the 1981 drop, caused by the September events and the assassination of President al-Sadat, the figures on the total foreign money in Egyptian tourist revenues in 1982 in authorized banks which reached the Egyptian Central Bank registered a drop of 55 million pounds, or 16 percent, from 1981.

The Drop in Tourist Nights

Some experts in Egypt explain this strange phenomenon by the drop in the number of tourist nights foreign tourists spend in Egypt. In spite of the

annual increase in the number of tourists, the time they spend visiting Egypt is dropping.

Egyptian Mobilization and Statistics Agency papers state that the number of tourist nights foreign tourists spent in Egypt in the first 9 months of last year dropped by about 300,000 from the corresponding period of 1982, totalling just 6.8.

As a result there was a drop in the average period tourists spend in Egypt, which came to just 6.2 nights, as compared with 6.5 nights in 1982.

In 1982 the drop in the number of tourist nights came to about half a million, since the number of tourist nights had totalled 9.3; thus the average stay per tourist dropped from 7.1 nights to just 6.5.

Tourist experts in Egypt attribute this drop in the number of tourist nights which foreign tourists spend in Egypt essentially to the drop in the average stay of Arab tourists, who account for half the number of foreign tourists now visiting Egypt annually.

The period of stay of Arab tourists in Egypt in the past 2 years has dropped by a large degree, from 8 nights in 1981 to 7.1 tourist nights in 1982, then just 6.4 nights last year.

In spite of that, Arab tourists spend the greatest time in Egypt, followed by American tourists, then European tourists; however, the drop in the average period of stay explained the drop in the number of tourist nights foreign tourists spend in Egypt in the past 2 years.

This drop in the number of tourist nights undoubtedly made a contribution to the drop in Egypt's tourist income, which is remitted by official banks and flows into the Egyptian Central Bank.

The Drop in the Egyptian Pound

However, experts in the Ministry of Tourism in Egypt have observed that Egypt's tourist revenue in the past 2 years declined at rates that exceed the rates of the decline in the number of tourist nights; this means that the drop in tourist nights is not to be considered the only reason for the drop in Egyptian tourist income.

Last year the number of tourist nights dropped by 3.3 percent, but tourist income dropped by a much greater rate, totalling 23 percent.

The phenomenon was repeated in 1982, when tourist income dropped by a large rate, 16 percent, while the number of tourist nights dropped by just 5 percent.

Therefore tourist experts have concluded that the drop in the number of tourist nights is not the only reason for the drop in Egypt's tourist income. One of the most important reasons was the drop in the Egyptian pound in the free market, or the big difference between the official exchange rate of the

Egyptian pound and the rate of exchange on the free market. Because of this difference, embodied in the rise in the rates of foreign currencies valued in Egyptian pounds, the free market has attracted foreign tourists and tourist companies, everyone has avoided completing the process of making cash remittances through official banks and financial institutions, and thus these remittances, which ultimately flow into the Egyptian public treasury, have dropped.

Experts in the Ministry of Tourism in Egypt estimate the value of tourist income which leaks out through the free market at about three times the value of the tourist remittances made through the banking system -- unquestionably a major figure, and one that is roughly equal to the entire income from the Suez Canal!

Various Solutions

Therefore people in Egypt are loudly voicing the demand that the exchange rate of the Egyptian pound relative to foreign currency be reviewed and that this rate be reduced so that it will approximate the price prevailing in the free market, or that the Egyptian pound be floated and its price be left free, to be determined in accordance with the factors of supply and demand, so that all tourist remittances will take place through the banking system.

However, people in charge of managing the Egyptian economy have reservations about such a solution at this time, to avoid inflicting harm on the Egyptian economy, because a drop in the value of the Egyptian pound will result in an equivalent increase in the value of Egyptian imports, an increase in the value of Egyptian debts abroad as well, and, in addition to that, a large increase in all prices.

People in charge of the Egyptian economy consider that at first some conditions must be met before the Egyptian pound is devalued and a commercial money market is established; for instance a suitable reserve of no less than \$1 billion must be made available in the Central Bank, to be used to preserve the rate of the Egyptian pound and protect it from price speculation, the deficit regarding the balance of payments and the balance of trade must be remedied, and imports must be guided.

Therefore another recommendation has become prominent and tourist experts insist on it, if Egypt's tourist income is to be spared a decline and tourist revenues are to increase by about \$750 million a year. This recommendation requires that dealings in the tourist area be done by special vouchers issued by the Egyptian Central Bank, to be called "tourist vouchers." This recommendation is still under discussion in Egypt.

11887

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ALLEGED MISCONDUCT OF NATIONAL PRESS ESTABLISHMENTS SCORED

Cairo AL-AHALI in Arabic 21 Mar 84 p 6

[Article: "Central Accounting Agency Exposes Misconduct and Wholesale Losses in Government Press"]

[Text] The heads of the national press establishments are diverted from their profession and establishments by planning for whatever serves the benefactor, the ruling party.

With the approach of the decisive battle for the People's Assembly elections, these esteemed heads have been reminded of the deteriorating conditions of their establishments by the reports of the Central Accounting Agency. They may have forgotten to keep their press houses in order amidst the rush to prepare for the campaigns of assault against the opposition.

Here are the wholesale violations and deviations exposed in these establishments by the Central Accounting Agency.

Lost Client

Under the heading of "topics of special significance," the Central Accounting Agency's report says that a client using Dar al-Sha'b Establishment's printing presses has owed the establishment nearly 11,000 pounds since 1975 when he had 5,000 copies of the books "Al-Sadat and the Corrective Revolution" and "The Iranian Film and Modern Cinema"--both books written by the client himself--printed for his account. This sum comprises the costs of printing and advertising which were financed by the establishment and the distribution commission which the establishment paid on behalf of the client.

As a result of the client's failure to pay the sums he owes and of the replacement of the chairman of the establishment's Board of Directors, the matter was referred in 1978 to the Legal Affairs [Department] which concluded that vast sums of money had been wasted in marketing the two books. The Legal Department could find "no justification for the establishment, with all its agencies, to be led to serve the author's objectives. The facts themselves require that the issue be referred to the public prosecutor for investigation in order to protect the establishment's funds."

But so far, according to what the report says, no steps have been taken to refer the matter to the public prosecutor on the pretext that the client's address is unknown! The Accounting Agency instructed the chairman of the board on 5 July 1982 to do whatever is necessary expeditiously.

Therefore, it is not surprising that Dar al-Sha'b Printing and Publication Establishment incurred in 1981 losses amounting to 439,000 pounds compared to losses of 195,000 pounds in 1980. The establishment's total losses have amounted to nearly 1.5 million pounds, i.e. nearly threefold the establishment's capital which amounts to 543,000 pounds.

The other reasons for the establishment's losses include a drop in the distribution of its books through AL-AKHBAR, with the distribution amounting to 20 per cent [of the volume printed].

The new chairman of the establishment's Board of Directors has admitted in answering the Consultative Council chairman and the Higher Press Council chairman on 20 September 1982 the [validity of the] observations included in the Central Accounting Agency's report concerning the establishment's budget issued on 31 December 1981. He acknowledged as well the gross violations and mistakes and the squandering of the establishment's rights by others. He demanded that the report be referred to a legal investigation authority to determine the responsibility of those who headed the establishment in the period from 1975-82 and to bring them to account for their mistakes in accordance with the law. The agency's report does not indicate that any steps have taken place on the issue since the report was issued.

Falsifying Budget

As for AL-AHRAM Establishment, being more intelligent than AL-AKHBAR, it has issued its budget without letting this budget reflect its financial position, as demonstrated in the Accounting Agency's report. This failure is reflected in:

- Showing unreal profits by showing the Tax Agency indebted to the establishment for a sum of 1.7 million pounds without any legal grounds for this claim.
- Failing to list in the books a sum of 650,000 in taxes due for its profits.
- The establishment has failed to observe the principle of accrual in recording some of its book keeping operations. It has become evident that the interest payments shown in the profit and loss account amount to 53,000 pounds whereas the balance of the account with the lending banks amounts to nearly 18.3 million pounds. This indicates, according to the report, the failure to report the correct interest value in the accounts. Moreover, there are previous annual expenses amounting to 1.3 million pounds.
- An emergency fund was founded and this fund amounted by 31 December 1981 to nearly 8 million pounds to meet the due payments owed by the establishment to the Tax Agency in fees for publication revenues. No details are given for what this fund covers. The Tax Agency's dues in publication revenue fees (owed by AL-AHRAM), for example, rose in just 3 months from the beginning of April to 30 June 1980 by 700,000 pounds. This shows that the fund allocated is not enough to pay the fees for the past 4 years.

- The failure to show the real balance of the establishment's accounts. The separate operating accounts for each center or department do not reflect the center's or department's true activity for the fiscal year because a large percentage of the revenues listed in the accounts have not been achieved through real transactions with the clients but through inter-transactions between the various sister sectors of the establishment.

Inventory and Other Violations

In AL-AHRAM Establishment also, an inventory of the goods and raw materials has been provided without detailing the status of each variety and the degree of its usability. The inventory was made by the establishment without the participation of its accounts supervisor.

- AL-AHRAM's budget says that the establishment's investments and savings amount to 12.7 million pounds (some of which have been invested or put in savings for more than one fiscal year). Meanwhile, the interest earnings added to the revenues amount to nearly .5 million pounds, i.e. about 4 percent. This yield is much lower than the acceptable current rate for investments. It is smaller by a still further degree than the average savings yield which amounted at times in 1981 to nearly 15 percent.

- The establishment's investments in al-Ahram Investment Company amounted to more than 4.1 million pounds, i.e. nearly 83 percent of its investments. These investments produced no yield whatsoever!

Fateful Night [also means night on which Koran was revealed]

AKHBAR AL-YAWM Establishment shares with AL-AHRAM almost the same violations and excesses. However, their dimensions in AKHBAR AL-YAWM exceed those of AL-AHRAM.

- There is a difference of nearly 266,000 pounds in the balance of the bank's account for the "donations on the anniversary of the night on which the Koran was revealed" and the creditor's balance of the same account. This may give the impression that the donations have been used for purposes other than those for which they were collected.

- The reporting of unreal profits. The accounts do not report the interest paid for a U.S. loan. It has been determined so far that 219,000 pounds were paid in interest. Meanwhile, this sum was added to the establishment's immovable assets account. The value of the difference in evaluation of the establishment's foreign currency assets in the banks--a difference of nearly 83,000 pounds in the distribution sector [alone]--was added to the revenues on 31 December 1981, using the new official price set in 1981, instead of listing this difference in the reserve account for the currency price difference.

- The inventory reports do not outline the usability of some listed goods, including the matrice stock of type valued at nearly 52,000 pounds, on 31 December 1981. Some damaged goods have been valued at the prices of usable goods. Moreover, the discrepancies in the inventory have been settled without examination.

- Under the heading of "unjustifiable increased spending," the Central Accounting Agency's report shows that 45,000 pounds were paid to an Egyptian private sector supplier for supplying 55 tons of newsprint without bidding and without the availability of deliverable goods. This gives the impression that the establishment contributed to financing the import transaction. The establishment also shouldered an expense of 6,000 pounds in storage and guard fees. It also incurred an expense of \$5,000 to delay the delivery of photography equipment because it had no place to install the equipment. Meanwhile, the number of returned [unsold] editions of AKHBAR AL-YAWM rose gradually in comparison with the total number of copies printed in November 1981. This is reflected in an unjustifiable inflation in the printing costs--an inflation resulting from the failure to reduce the number of printed copies.

- The establishment kept nearly \$45,000 and 1,119 Saudi riyals, as well as other currencies, in its safe--with some of the money kept there for years and with the establishment failing to deposit them in banks. This gives the impression, according to the report, that these monies were used for purposes other than those for which they had been intended.

Losses and Excesses

It has become evident to the Central Accounting Agency that most of the papers published by Dar al-Ta'awun incur successive losses. Generally, this is due to:

- The poor circulation of the establishment's papers. In the first 6 months of 1982, the circulation rate of AL-SIYASI amounted to only 29 percent of the printed copies, that of AL-TALABAH to 19 percent and of AL-RIYADI to 54 percent.

- The establishment retains 1,000 copies of each edition of the papers it issues, despite the high rate of returns. These copies represent "frozen capital."

- Excess in using the establishment's funds: The establishment's Board of Directors agreed on 25 January 1982 to form a consultative committee comprised of 10 members representing the most important sectors dealing with the establishment in order to overcome some obstacles facing the dealings with these sectors. Two high-ranking officials of each of the Agricultural Development and Credit Bank, the Central University Book Agency, the agriculture and agrarian reform sector and the banks (the National Egyptian Bank and Cairo Bank) were selected as members of this committee. A sum of 1,200 pounds was paid to each of the two members selected from the Central University Book Agency for 1980. The role played by these two members has not been explained.

- Moreover, a month's salary was disbursed to some workers in the General Department of Agricultural Directorates at the Ministry of Agriculture and a half a month's salary to others in the same department without explaining the efforts made by them in the interest of the establishment.

National Distribution Company

It has also become evident to the Central Accounting Agency that the budget of the National Distribution Company does not reflect the real expenses for the shipment

of newspapers and magazines to various countries by air. The budget says that these expenses amount to 810,000 pounds whereas they really amount to 2.3 million pounds.

It has also become evident to the agency that internal control and auditing in the company is poor. Despite the daily air traffic activity and the many airlines with which the company deals, the company is content to keep its shipment policies and its monthly shipment reports as loose papers. The bills owed to the airline companies and the sums due to be paid are calculated on the basis of these loose papers.

The poor control is demonstrated by the fact that the company has not been able to present the documents proving that a sum of 4,250 pounds was paid to the account of the Public Relations Department of the Ministry of Foreign Affairs, with the company's representative in Senegal paying this sum to the Egyptian Embassy there. The company has also failed to present a certificate of the current balance of its account with the Bank of Egypt--Qasr al-Nil branch--and of its current account with the People's Cooperative Bank, valued at 9,841 and 4,448 pounds respectively.

Millions in Air

The most wasteful aspect of the company's money has emerged clearly in the company's project consisting of a plot of land and a building on Ramsis Street. This project has gone through several stages:

On 3 November 1973, the company purchased a plot of land with an area of 817 square meters for 73 pounds per square meter for use as a garage for the maintenance of its vehicles. The cost of the land amounted to nearly 60,000 pounds, in addition to 5,476 pounds in other costs.

In 1976, the foundations were laid at a cost of nearly 69,000 pounds, in addition to other assets belonging to the company which built the foundations and which have been frozen since then--assets amounting to 4,023 pounds.

On 27 October 1979, the office of the Consulting Engineers Group was entrusted to conduct a study on the feasibility of utilizing the land. The office obtained 4,850 pounds for the job.

On 26 May 1980, the consulting office submitted a report on the feasibility study, proposing four alternatives. The study was presented to the company's General Assembly session held on 11 November 1980 and the Assembly requested some clarifications which the consulting office supplied on 7 April 1981.

The company sent the economic feasibility study and its supplement to a number of banks and investment companies in November and December 1981. The banks declined to participate in the project. This refusal and the conclusions of the economic feasibility study were discussed at the two sessions held by the Board of Directors on 11 May and 14 October 1982 and the board came up ultimately with the conclusion that "it is better to maintain the status quo at present and until the company is able to find a financing partner for the project with experience in implementation and with money to guarantee that the company does not embark on a financial venture with undesirable consequences."

Open-Door Interests

The most serious revelation made by the Accounting Agency in this issue is that several opportunities to utilize the project were intentionally foiled--opportunities embodied in canceled financial credits. A letter from the first undersecretary of the Ministry of Information dated 17 October 1979 and addressed to the undersecretary of the Ministry of Planning shows that the investment appropriations associated for the information sector in fiscal year 1979 included a sum of 210,000 pounds to construct the building (140,000 pounds in local currency and 70,000 pounds in foreign currency). Because the National Distribution Company did not use the sum allocated for it within the information sector investments and because it planned to implement the project through a joint investment company that would construct the project and supervise its implementation, the minister of information agreed to cancel the appropriations allocated for the company's building.

Moreover, the banks' refusal to participate in or contribute to a project whose economic feasibility study has become useless makes it necessary to bring this study up to date because the project cost is assessed on the basis of the market prices in January 1980. Thus, maintaining the "status quo as it is at present" will, by necessity, make the project more costly under the canopy of rapid economic and social changes. The rising value of the land will be of no use in this respect because keeping the land as it is and failing to exploit it will not achieve a sufficiently rapid turnover of the capital. Besides, the fearful rise in the cost of construction cannot be disregarded.

Middle East Aid Agency

The revenues from the commercial activity of MENA [MIDDLE EAST NEWS AGENCY] for 1981-82 amounted to nearly 4 million pounds, compared to 897,000 pounds in the preceding year, i.e. an increase of nearly 3.1 million pounds. Upon examining the agency's activities, accounts and budget, the Central Accounting Agency discovered that this increase is not real because the revenues include 3 million pounds advanced as subsidy by the state. Thus, the agency computes its budget in the style of Egypt's (Erhardt), 'Abd-al-Razzaq 'Abd-al-Majid.

In conclusion, the absence of democracy in these establishments--an absence reflecting the generally faltering democracy--is what brings about these boards of directors and their chairmen, allowing them to sit heavily on the chest of these establishments for long years despite all the violations, deviations and losses in the establishments.

These chairmen are not overly concerned if their establishments lose, or even get destroyed, as long as they are adroit in coupling their budget, along with its losses, with the processions of propaganda for the ruling party in return for their keeping their press positions.

Will the conditions in these establishments be corrected so that they may not turn from information establishments to propaganda, plunder and destruction establishments? Will the Central Accounting Agency's report have a role in this correction or will it end up in the government's archives?

PURPOSE OF RESEARCH CENTERS CALLED INTO QUESTION

Cairo AL-AHALI in Arabic 21 Mar 84 p 3

[Article by 'Asim Hanafi: "Top Secret; They Spy on Us in Broad Daylight"]

[Text] Along the lines of the step-by-step process, some people are opening the door for foreign intervention in Egypt's universities.

Whereas the pretext used to be joint research, academic cooperation, visits, grants and delegations, the campaign has now begun to take a frank form. A strange institute was recently established in Cairo University.

The institute is called the Public Opinion Research Center and its task is to gather information for whomever pays and to conduct unidentified polls, with financing from an unidentified source.

As the center's papers acknowledge, the center conducts opinion surveys and research for numerous Egyptian or foreign firms and institutes.

As the center's papers acknowledge, the source of financing is not a purely Egyptian source. Rather, there are unidentified foreign sources of financing.

In all countries of the world, it is impermissible, impossible and unacceptable to have public opinion studies [polls] financed with foreign monies or with monies from unidentified sources because of the danger such financing poses to the country's security.

Sociologists in the third world are still talking of a famous scandal, known as the Camelot scandal, in which some public opinion-gauging agencies tried to transmit and leak information from the third world countries to Washington directly. The reasons are well known, of course.

In Egypt, the first production of the said scientific center is an opinion poll seeking to find out the Egyptian citizen's problems and concerns and his vision of the causes of these problems and his view on how to solve them.

Those in charge of the poll selected a sample from among the Egyptian people comprised of 10,000 citizens living in areas extending from Alexandria to Aswan and from Matruh to Sinai. The people in charge of the poll also selected 500 researchers and a group of experts and professors and employed an electronic computer in their 6-month mission which seeks to dive into the heart of Egyptian society.

Such a study costs several million pounds to select the sample, design the poll form, to print and mail the form, to check with the sample [members], to examine the forms, to compute the results and to use the electronic computer. We should also not forget the wages and recompense of the army of researchers employed for 6 full months.

If we assume that the average monthly recompense per researcher is 100 pounds, then it is evident from simple calculation that the wages total more than one quarter million pounds at the end of the 6 months.

Recently, an Arab oil country assigned an expert to design a similar poll but then backed down at the last moment when it discovered that the poll would cost several million pounds.

What is dangerous is that the outcome of the opinion poll will not be published in Egypt and that the financing circle will acquire all the results.

What is surprising is that no [official] circle has objected to this kind of mysterious study even though the circles entitled to such objection are numerous, such as the General Intelligence Agency or the National Agency for Mobilization and Statistics which is the technical agency concerned with this type of studies.

The only party to protest has been the university itself, the Information College professors in particular. These professors have totally rejected the establishment of a public opinion research center in their college and have warned that it could be an external facade for a foreign intelligence agency, especially since the financing is not Egyptian. However, their view has been totally disregarded and the "information" center has been set up away from the Information College and under the patronage of the university president personally.

Scientific Crime

The center was not set up overnight. Before its official birth, there had been endeavors and adjustments which were constantly faced with rejection.

At the outset, the inclination was to set up the center in the Information College, especially since this college is the scientific circle that studies and teaches public opinion topics and includes specialized professors whose help is enlisted not only in Egypt but in all countries of the Arab world.

Every time the project was submitted to the College Council, it was faced with the rejection of the professors who asserted that public opinion studies in particular cannot be financed by foreign circles and that the joint public opinion studies projected at the time are impermissible under any circumstances, else the whole thing would turn into a scientific crime.

The latest attempt to set up the center in the Information College was made on 3 February 1980. A memorandum presented to the College Council members told them that the center would be similar to the Development and Technological Planning Research Center in Cairo University and that it would be tied to the college's higher studies. The memorandum proposed that the professors approve in principle

and that a committee be formed to prepare a report on the full visualization of the plan to set up the center. The day of 9 February 1980 was set for the College Council to meet to discuss the viewpoint of the Council members.

Prior to the official meeting on 9 February, the professors got together and discussed the matter and the tendency was to reject such a center for numerous reasons.

The professors said that the establishment of a center similar to the Development Research Center means that the center would receive aid from the U.S. AID and that its studies will be financed in this way. It also means that the center would have relations with the Massachusetts Institute which is closely tied to the U.S. Pentagon, exactly as is the case with the Development Research Center.

The professors said that public opinion polls are a part of the national sovereignty and their results are considered extremely confidential at times. If there is a foreign partner, then some of these results can be used to exert pressure on the decision makers in the Egyptian Government.

The professors who are members of the College Council said that the information that will be made available to the center through the studies it will conduct and which will cover all aspects of political, social and economic, and perhaps military, life throughout Egypt can provide the enemies of the country with a rich source which they may utilize for sabotage, espionage and hostile propaganda and to mislead some sects and factions of the people.

The professors also said that there is no precedent in any country of the world for joint public opinion polls. What is customary is for such polls to be conducted by trusted national circles whose honesty and objectivity are indubitable, such as the agency controlled by the National Research Center and the Central Agency for Mobilization and Statistics.

The professors further said that the establishment of a public opinion-gauging center is an old dream, provided that the financing is Egyptian because if foreign money infiltrates such a center, then this would mean subservience to non-Egyptian circles.

They also said: Opinion polls require a large administrative apparatus, which the university cannot provide. They further said that the university can help the other opinion-gauging agencies with experts from among its professors, which is actually happening.

Finally, the professors said that the method of presentation, the strong persistence and the material inducements offered by those enthusiastic for the project makes them [the professors] cling to rejecting the idea of setting up this center. To eliminate doubt with certainty, the professors proposed that the explicit approval of the General Intelligence Agency be first obtained for the establishment of such a joint center.

Prior to the meeting scheduled to hear the professors' viewpoint officially, namely 9 February 1980, the university was compelled to withdraw the issue from discussion. On 6 February, i.e. only 3 days before convocation of the College

Council meeting, the College Council members were notified that the university president--who was Dr Badran at the time--had withdrawn the topic on the pretext that the center would be set up as an independent unit under the control of Cairo University.

Scientific Open-Door

Remote from the Information College, the planning for setting up the Public Opinion Research Center started.

It started with a personal initiative from Samir Husayn, the present dean of the Information College, who submitted a preliminary report to the university president containing his visualization of the center and of the center's role under the slogan of a scientific open-door to the world's advanced research centers. In his report, Husayn asserted openly that the center can conduct joint studies with some regional, international or foreign organizations in the fields in which the center is specialized.

The Information College dean and its professor of media enumerated these organizations, saying that they include local and foreign firms and organizations engaged in activity in Egypt or in some Arab countries, the public institutions, ministries, parties, the People's Assembly, the press and the universities.

He asserted that the center is capable of conducting numerous types of studies, be they commercial, social, economic or political.

On 21 June 1982, the University Council approved the proposal of the Information College dean to set up the center outside of the Information College.

On 3 August 1982, the Universities Higher Council gave its approval.

In October 1983, Hasan Hamdi, the university president, instructed that the [center's] board of directors be formed with Dr Salah Shahbandar, the university vice president, as chairman; Hasan Hamdi, the information dean, the advocate of the idea and the man enthusiastically supporting the idea, as director; and Dr Ahmad 'Ibadah Sarhan, Dr Mahmud Sadiq Bazar'ah and Dr Faruq Ahmad Yusuf, who are university faculty members, as board members.

Three members were selected from outside [the university] on the recommendation of the center director, namely Husayn 'Anan, Mamduh al-Baltaji and Salah Jalal.

The important thing is that the external members were not selected by virtue of their positions but by virtue of their names. Al-Baltaji was not chosen because he is the chairman of the Information Authority and Salah Jalal was not chosen by virtue of his being the chairman of the Journalists Union. This means that if one of them is ousted from his position, he will continue to be a member of the board of directors.

As for the criteria applied in the selection of these members, this is another aspect about which we know nothing.

We now come to the salaries, wages and bonuses to find that they are controlled by the center director and that they are paid in checks signed by the Center director and the financial officer.

The center accounts are opened in the bank chosen by the board of directors and they consist of two types:

An account in Egyptian pounds.

An account in foreign currency.

As for the agreements and relations with organizations, individuals and specialized agencies, they are also controlled by the center director.

Frank Admission

It seems that the clamor which accompanied the rejection and, later, the approval of the center has aroused many of the people concerned with public opinion research, including Dr Ahmad Khalifah, the chairman of the National Center for Social and Criminal Research, who warned against this center specifically in a press interview given to a sisterly weekly in October 1982--an interview in which he said verbatim:

"The seriousness of these studies is embodied in the fact that the financing circles resort to conducting the polls to gather information. This very activity used to be called 'espionage' in the past whereas it is now donning the garb of scientific research."

Dr Khalifah added: "One of the flagrant examples is the permission to establish public opinion-gauging centers. I have contacted Dr Hasan Hamdi, the president of Cairo University, and discussed with him their agreement to set up a center to gauge Egyptian public opinion with foreign financing. However, he told me that the institute will be set up with Egyptian financing. Numerous endeavors had been made in the past to set up such an institute with foreign financing but they all came to a halt as a result of the objection of the Administrative Control [Agency] because this issue is extremely serious. How could we allow a foreign circle to spend lavishly on the establishment of a center to gauge Egyptian public opinion?"

Dr Khalifah ended up demanding the formation of a higher fact-finding committee to investigate the facts and to find out and determine what studies and research had been conducted in cooperation with a foreign circle.

But what is really surprising is that Dr. Salah Shahbandar, the chairman of the center's board of directors, admits frankly that he knows nothing about the center's activity and that the managing mind is Dr Samir Husayn, the center director. Dr Shahbandar also admits that his presence as head of the center is by virtue of his position as vice president of Cairo University and that this presence is an "honorary" presence that changes nothing.

Perhaps it is beneficial to hear verbatim the statements made by Dr Salah Shahbandar in an interview we had with him:

"To my knowledge, it is a scientific center that seeks to study Egyptian public opinion on various administrative, scientific or political aspects. It is under full Egyptian control. If I felt that there was any foreign intervention or intervention by intelligence or investigation [agencies], I would put a stop to such intervention immediately with a memorandum to the university president."

[Question] What about the financing, doctor?

[Dr Shahbandar] As far as I know, the financing so far is 100 percent from the Egyptian university. When the center stands on its own feet and concludes a contract with a certain organization to conduct a study for pay, then it can finance itself intrinsically.

[Question] Some people believe that joint research in the sphere of public opinion means leaking information to non-Egyptian circles...?

[Dr Shahbandar] I do not know. If information is leaked, then a stop must be put to such leakage immediately.

[Question] How was the center's board of directors formed?

[Dr Shahbandar] In accordance with the bylaws. To my knowledge, the board was formed on a decision by the university president. I was appointed board chairman by virtue of my job position, considering that I am not specialized in information or public opinion and that my true field of specialization is medicine and surgery. But to put it very simply, I am the chairman of nearly 26 boards of directors of university research centers. I am the chairman of the board of directors of the Judiciary Research Center, even though I understand nothing in law. I am also the chairman of the board of directors of the Scientific Equipment Maintenance Center of the Engineering College, and so forth.

In any case, all these centers share a common characteristic, namely that they are under the control of one or another of the branches of a college. The branch proposes the creation of the center and the proposal is then presented to the college council and to the Higher Studies and Research Council, which approve it. The proposal is then presented to the university council and, if necessary, to the Higher Universities Council. Are you accusing all these of being agents?

[Question] We beg your pardon, doctor. But haven't you noticed that all these steps have not been observed in setting up the [public opinion poll] center?

[Dr Shahbandar] This is as far as my information goes. [For more], you have to contact Dr Samir Husayn, the center director.

Dr Samir Husayn rejected the idea of a discussion on the center activities and was content with brief answers that were recorded by the recorder lying between us:

The center is independent and controlled by Cairo University. The relationship between this center and other public opinion centers is a relationship of cooperation, as evidenced by the fact that Mamduh al-Baltaji, the Information Authority

chairman, is a member of the board of directors, and the fact that Dr. Ahmad Khalifah, the chairman of the National Research Center, took part in the discussions held on the project in 1980.

I don't believe that there is a single patriot in Egypt who does not approve this center(!!)

The studies and research are conducted at the request of specific circles and they are not published but rather delivered to those requesting them to safeguard the confidentiality of the information they contain. We are not a publishing agency.

The survey we are conducting on the concerns of the Egyptian citizen is being conducted for the university and we have not yet decided whether we will or will not publish it.

I suggest that you contact Dr Hasan Hamdi to complete your information.

Dr Hasan Hamdi, the university president, refused to receive us and advised us, through his office director, to return to Dr Samir Hasan!

In Whose Service?

The center's role is still ambiguous and its financing is still ambiguous also.

Dr Samir Hasan's statement that the center is independent is not enough, and neither is Dr Hasan Hamdi's assertion that the center's financing is Egyptian. The center papers prove the opposite clearly. Under the "provision" of financial resources, the papers indicate that there are three sources of financing:

The sums paid by the Egyptian ministries and authorities and by the foreign councils, circles, institutes and organizations.

Sums paid in return for the research, consulting and training services offered by the center to others.

Sums granted by outside circles in accordance with agreements concluded in this regard between the university and other circles.

To put it more clearly, the center's papers indicate its identity precisely, but fail to determine clearly if it is a national center, a university center or an information center serving foreign firms.

If it is a national center, then there are specific and well-known national research centers, such as the National Center for Social and Criminal Research, the Mobilization and Statistics Agency and the research unit of the Information Authority. What is the reason for this new center?

If it is a university center, then why don't the specialized professors, particularly the Information College professors, participate in it? Besides, is it the duty of the university to conduct market studies for firms, institutions and authorities, be they from the public sector, the investment sector or the government sector which need public opinion research and studies concerning their products and services?

If the center's objective is to serve the commercial firms, then why involve the university in the issue? Is it the job of the dean, the chairman of the Radio Union or of the chairman of the Information Authority to gauge public opinion tendencies concerning some commodity?

What is the exact nature of this center?

And why does it stay inside Cairo University?

We now come to another question:

What is the relationship of all of this with the study which the center has announced it will conduct on the Egyptian citizen's problems and concerns?

It is obvious that this is a purely political gauging operation.

It is well known that any opinion-gauging center in any part of the world is directed fundamentally to serve the local interests, such as the development objectives or the political directions of governments or parties, or to serve the educational or economic programs or other similar programs. Consequently, any public opinion-gauging center in a country like Egypt is supposed to be under the control of a reliable official authority or to be independent, but under the control and supervision of the state, or to be under the control of the university, provided that it is fully independent insofar as supervision and financing are concerned.

Is this the situation in this case?

Which is the circle interested in financing a study on the Egyptian citizen's problems and concerns--a study whose outcome will not be published in Egypt out of concern for the confidentiality of the information, as Dr Samir Husayn has asserted?

Is it the Egyptian Government?

According to our information, the Egyptian Government has asked nobody to conduct such a study.

Who is financing such a study that costs several millions?

Is it a foreign circle?

Which circle is it and for what purpose?

8494

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PLIGHT OF HOMELESS IN AL-JIZAH EXPLORED

Cairo AL-AHALI in Arabic 21 Mar 84 p 7

[Article by Kifah Ahmad: "Tent Dwellers Are in Every Quarter and Government Denies It"]

[Text] More than 1,600 families dwelling in tents located between flooded sewers and garbage piles in the quarters of al-Jizah have to wait for 5 years before they can move to low-cost housing, and then the tents will have to stay to receive others.

The government and its National party do nothing other than hold conferences and make promises in the face of the masses' problems. Often, they even deny that there are problems to start with.

Prime Minister Fu'ad Muhyi-al-Din declared at one of the People's Assembly sessions last summer that there are no tent dwellers. He thus offers the most amazing solutions to the masses' problems, namely deny the presence of the problems altogether.

In al-Jizah, the tents are present between the blocks of low-cost housing in Saqiyat Makki, 'Aziz 'Izzat housing blocks, behind the police station in Imbabah, in al-Haram lands--close to al-Jizah Governorate--and in other places.

Four Families Per Tent

When it is decided to demolish a house (administrative eviction), its inhabitants apply for tents from the city council, with each application supported by the demolition decision. Each family is issued a tent with a guarantee of 200-500 pounds deposited by the applicant. Frequently, more than 4 families live in a single tent. At times, tents are unavailable and so people build shacks from wood, tin sheets or sheets of reinforced cardboard, each according to his capability. Fathi 'Abd-al-Rahman, a citizen inhabiting a shack located behind al-Jizah slaughterhouse, refused to live in a tent when he learned that it will house other families along with himself. He built a shack that has cost him 200 pounds.

Here, the lives of the tent dwellers witness all kinds of grief. There are no toilets, unless a common toilet is built for dozens of families in the same area at the expense of the inhabitants--toilets where the inhabitants stand in line in the morning, each waiting for his turn to relieve himself. Some inhabitants

dig holes inside the tent to serve the purpose. Often, they use cans and then dump the waste gathered in them into a public sewer, into a nearby canal (as in the case of al-Liwa' area) or in the middle of the road. They also dig networks of open sewers winding through the tents to dispose of their waste water, (thus adding to the already existing vast network of open sewers). At times, they use the toilets in nearby schools or mosques.

They get their drinking water either from public fountains or by resorting to the inhabitants of nearby buildings. This being the situation, the water resources are overtasked and the tent dwellers are not free of the arbitrariness of the inhabitants of adjacent buildings who believe that these tent dwellers are the cause of the unhealthy environment in which they all live together.

As for electricity, it is unavailable in certain areas, such as al-Liwa' area. In other areas, the tent dwellers are allowed to link with a nearby electricity pole or (transformer).

Moreover, there are the garbage piles stacked here and there. You can imagine how families live with their children and daughters under such conditions. On top of all this, you feel inside the tents as if you are in a crowded apartment with no partitions where you can see how the occupants sleep, wash or prepare their food and where you can share with every family its most private affairs, as if you were one of its members.

Years in Tents

Ahmad 'Imran, a tent dweller in al-Liwa' area, has said:

The city council designated this site for us to erect our tents. For 6 years, we have lived without electricity or toilets. We relieve ourselves in a hole in the ground. Noting the nearby ditch, he said that it is a source of lots of insects and snakes. Frequently, we are subjected to thefts.

'Abd-al-Rahim Husayn, another tent dweller living in the area since 1979, added: There is an open field nearby to which we go whenever we need to relieve ourselves. Often, we relieve ourselves in a can or a jug and dump the waste into the ditch. This is the life our wives and daughters live.

In the Saqiyat Makki and Imbabah tent area, there is a common toilet that does not help much in alleviating the dwellers' hardship. 'Abd-al-Salam 'Ali has said:

The only toilet available is designed fundamentally for the use of the Imbabah police station workers. Despite this, it is serving more than 80 families. You can imagine the long columns waiting in line. Because it is common, it cannot but wound one's sense of decency. We get the drinking water we need from the nearby low-cost housing apartments. This allows their inhabitants to boss and harass us. The apartment dwellers imagine that we compete with them for the open spaces available between the housing blocks. 'Abd-al-Salam 'Ali has added: We don't know the meaning of taking a bath. To give the others a chance, we cannot stay in the public water closets for more than 5 minutes. It is difficult, if not impossible, to bathe inside the tents. How could we bathe in the same place where we sleep, eat and sit?

Ramadan 'Uthman has stressed: Our daughters and wives are subjected to the harassment of people passing by and of curious young men when they go to the toilets which are far enough from the tents to wound one's sense of decency, especially since our wives and daughters are usually dressed in house clothes.

Summer and Winter

The tent retains the summer heat and it becomes impossible to stay in it. Therefore, it is natural to see the tents empty during the summer, with the families living on the street next to a wall or under the shade of a tree to escape the inferno of the tent. It is no better in the winter. The tent's cloth material is not [thick] enough to protect those inside it from the biting cold and so they use stoves constantly to warm the tent. This exposes the tents to the danger of burning, as has happened in Imbabah--according to 'Abd-al-Samam 'Ali. As for the tent's roof, it is like a sieve when it rains, with the rains washing the bedding and the utensils without any effort on man's part.

In the open, there are sewers and garbage and they have an impact on the inhabitants' health condition. In the summer, you find that the common denominator among the inhabitants, especially the children, is skin infections and sores. At times, newly born babies die from dehydration resulting from extreme heat and lack of protection. As the "summer diseases" spread in the summer, "winter diseases" get out of control in the winter.

'Ali Muhammad, from al-Liwa' area in al-Haram, has said:

I have lived in the tent since January 1979. During this period, I have lost 3 babies between the age of 6-9 months because of dehydration and bronchitis in cold days. Two months ago, we had another baby and his mother has taken him to our village in al-Minya for fear that what happened to his brothers may happen to him.

Nadiyah Shihatah has lost 2 babies at the age of 6 months. An inhabitant of the low-cost housing blocks in 'Aziz 'Izzat area in Imbabah (who has requested that his name not be disclosed) said:

The way the tent and shack dwellers live is unhealthy for them and for us. They are compelled to dump their human wastes on the roads, not to mention the piles of garbage and dirt around their dwellings. All this has turned the area into a rich center of diseases. We are eager to see that homes are found for them and that their problem is solved because this means a solution for our problems also.

Belonging

The feeling of not belonging is a phenomenon that is intensifying constantly because the citizen can find no way to achieve his right to an honorable life. This motivates him to escape reality, especially when he finds that he is incapable of solving his difficulties. This not belonging is being expressed in different forms. Nabil Mustafa and Hisham 'Ali, two young men living in tents, said:

Because of our conditions, we are ashamed to invite friends or relatives to visit us and you always see us roaming the streets far from our tents. Despite our

numerous complaints to the governorate and city council officials, against whom we once staged a demonstration, we find no sign of a solution to the problem. This assures us that our condition will last for long years, if not forever. This has discouraged us.

Hamdiyah Thabit added:

In addition to the absence of the proper conditions that enable me to study--a fact which has obstructed my progress in my studies--my position among my colleagues in the preparatory school is indescribable. This has forced me to abandon my schooling finally. A woman dwelling in the tents has said that her son, Sayyid 'Abduh, used to claim among his colleagues that he lives in one of the adjacent low-cost housing apartments so as not to feel embarrassed or that he is lesser than they are. Finally, he decided to volunteer in the armed forces so that he may not live with us in the tent.

Robbers' Den Is Here

Kamal Abu 'Atiyah, an employee of al-Jizah City Council and a member of the governorate's Grouping Party committee, has said:

One day last May, we were surprised to find in front of al-Jizah agencies complex a demonstration staged by a group of nearly 50-60 women living in Saqiyat Makki tents who shouted slogans such as: O world, o Muslims, save us from the sewers. O world, o Muslims, gather your disgrace from the streets. On the following day, they returned to shout: Here is the den of robbers.

Kamal Abu 'Aytah added: The problem of the refugees (tent dwellers) in al-Jizah Governorate is a part of the general housing crisis being experienced by the country as a result of the National Party's policies under which the rates of luxury housing construction and sales are growing to the degree where the supply exceeds the demand at a time when the state's role in the sphere of low-cost housing is declining. As for cooperative housing, it, like other activities, has come under the control of opportunists whose relationship with this sector is determined by loss and profit. Abu 'Aytah has asserted that Dr 'Abd-al-Hamid Hasan, the governor of al-Jizah, promised in 1982 that 1984 would not pass before the problem of the tents is ended forever. The first quarter of 1984 has passed and the problem is still there.

In the past 3 months, some blocks of low-cost housing were built in 'Aziz 'Izzat area, as well as the railroad houses in Imbabah and in Mit 'Aqbah. Some of the tent dwellers who had spent 5 years in the tents (since 1979) have been housed in these apartments (2 families per apartment consisting of 2 rooms). As for the others who have been living in the tents since 1980 and afterwards, they will have to wait until only God knows when.

With the continued decisions on administrative eviction and with the deteriorating housing crisis, the tents are not disassembled when their old occupants leave but are kept to receive newcomers.

'Abd-al-Hamid Ahmad who currently lives in a tent in al-Liwa' area in al-Haram has said:

We were living in a house which accommodated 6 families in al-Bahbus hamlet in al-'Imraniyah when we received the demolition decision. We came here at the end of last February. I am 73 years old and I don't know, now that I have learned that others have had to live long years in the tents, whether I will live long enough to taste life in apartments again.

Comprehensive Plan

Muhammad Khalil, secretary of the Grouping Party in al-Jizah Governorate, has said:

We must tackle the problem of the tent dwellers with the spirit with which we tackled the problem of the evacuees in 1967 by building dwellings and housing units meeting all health and human conditions. In 1967, al-Jizah accommodated large numbers of evacuees in camps which have now turned into tourist camps. This is a temporary solution and an interim period until a count is made of all the houses that are about to be demolished and until a plan, based on this survey, is drawn up to build houses for citizens subjected to administrative eviction and demolition decisions.

The tent camps in al-Jizah are no more than an example of what exists in all the governorates. According to the official statements, demolition decisions are issued at the rate of one to two decisions daily throughout the republic. The occupants of these houses form endless tributaries supplying tent, shack and graveyard dwellers, especially since these people do not possess thousands of pounds to pay for the condominiums [masakin al-tamlik] that have spread or for the high key money and advance payments needed for high-rent apartments.

Will the prime minister bend or does he wish to bend to have a look at the bottom of the city or will he continue to deny the presence of tents, shacks and graveyards inhabited by hundreds of thousands of Egyptian citizens?

8494

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PROJECTS TO PROMOTE EMPLOYMENT REVIEWED

Casablanca MAROC SOIR in French 19 Mar 84 pp 1, 3

[Text] In his speech of 27 December 1983, King Hassan II announced his decision to have a census made of all households in the country in order to identify those on the lowest portion of the economic scale and grant them priority in receiving government aid in a spirit of national solidarity.

The king pointed out that such aid could take different forms, to be spelled out after the survey.

Consequently, local authorities, the people's elected officials, upper-level personnel in the technical departments and public and private enterprises mobilized from 1 to 25 January 1984 to respond enthusiastically to the appeal of King Hassan and lend their aid to the 15,000 committees made up of nearly 200,000 persons in charge of carrying out the census.

By the end of these 25 days allotted for the operation, 2.8 million households had been covered, 82 percent of the total number existing. While the rate is only 70 percent in urban areas, involving 980,000 households, it exceeds 90 percent in rural areas, with 1.86 million households covered.

Throughout the entire period of the census, results were submitted daily to the king because of the particular importance which the sovereign attached to conduct of the operation and to knowledge of his subjects' income.

Consequently, scarcely had the census come to an end when the king asked his government to take the following measures immediately:

- 1) Continuation of subsidies paid in the past in order to keep the price of basic foodstuffs such as flour, oil and sugar as low as possible, so that such products might be marketed under cost price, with the overall estimated difference being some 300 billion centimes to be borne by the government.

Protecting Purchasing Power

- 2) Institution of strict, permanent control over prices, stock and the overall quality of products so as to protect the purchasing power of citizens against speculation and the abuses of certain dishonest businessmen.

3) Implementation throughout the rural and urban communes of the kingdom of a vast operation to promote employment helping those with the lowest incomes, in order to enable the latter to improve their individual income while contributing by their work to the development of the local community where they live.

Nearly 2,000 small-scale communal projects will be completed before 15 March within the framework of the first phase of this program.

The National Program to Promote Employment will be carried out over a 10-month period with the aid of an overall financial package of 5 billion centimes, to be made available to the governors in 10-billion-centime installments based on the following schedule: 1st installment, 16 February to 15 March 1984; 2d installment, 16 March to 15 May 1984; 3d installment, 16 May to 15 July 1984; 4th installment, 16 August to 15 October 1984; and 5th installment, 16 October to 15 December 1984.

The first installment of this program involves a financial allocation of 1 10 billion centimes, of which 7 to 8 billion will cover the wages or the heads of households or members of households concerned in all communes.

The total number of projects planned is 1,867, affecting all rural and urban communes in the kingdom, with an average of two projects per commune (see Table 1 [below]).

Table 1. Allocation of Monies, Projects, Working Days by Economic Region

<u>Economic Region</u>	<u>Med./lim. Income</u>	<u>Total Communes</u>	<u>Projects Programmed</u>	<u>Allocation Dirhams</u>	<u>Est. Work. Days</u>	<u>Estim. Employed</u>
Central	503,540	186	449	24,007,000	1,000,000	41,700
Northwest	450,658	132	350	21,485,700	895,000	37,300
Tensift	340,042	135	398	16,212,200	675,000	28,100
North Cen.	261,125	120	303	12,449,300	519,000	21,600
South	223,114	110	124	10,636,400	443,000	18,500
South Cen.	166,527	81	177	7,939,300	331,000	13,800
Eastern	148,782	63	66	7,093,400	295,000	12,300
	2,098,101	827	1,867	99,823,300	4,158,000	173,300

In order to guarantee this operation maximum success, the governors of the king were made responsible for the technical, financial and human levels and were themselves to supervise the projects set up in their communes with the aid of elected officials, officials from the external departments of the Ministry of Finance and other technical ministries, particularly Equipment, Agriculture, Housing and National Promotion.

Maximum Rationality

They were asked to design projects with the maximum rationality and to exercise the strictest possible control over their completion.

Consequently, following the tour undertaken on 15 February by different top officials from the Ministry of Interior in the seven economic regions of the kingdom, a program including equipment, infrastructure and development projects was worked out in each province and prefecture (see Table 2 [below]):

Table 2. Distribution of Financing and Projects by Region and Category

<u>Economic Region</u>	<u>Equipment</u>		<u>Infrastructure</u>		<u>Development</u>		<u>Total</u>	
	<u>Proj.</u>	<u>Fin.</u>	<u>Proj.</u>	<u>Finan.</u>	<u>Proj.</u>	<u>Finan.</u>	<u>Projects</u>	<u>Financing</u>
	<u>Prog.</u>	<u>Needed</u>	<u>Prog.</u>	<u>Needed</u>	<u>Prog.</u>	<u>Needed</u>	<u>Programmed</u>	<u>Needed</u>
Central	254	16,000	131	5,100	64	2,900	449	24,000
Northwest	201	12,000	81	4,000	68	2,300	350	18,300
Tensift	184	9,000	61	3,400	153	4,000	398	16,400
North. Cen.	66	3,600	109	5,700	128	3,000	303	12,300
South	23	2,100	45	4,000	56	4,600	124	10,700
South Cen.	20	4,000	55	1,700	42	2,000	177	7,700
Eastern	45	5,000	6	500	15	1,200	66	6,700
	853	51,700	488	24,400	526	20,000	1,867	96,100

(In thousands of dirhams)

Projects are divided into three major categories as follows: Equipment, 853 projects costing 51.7 million dirhams (56 percent); Infrastructure, 488 projects costing 24.4 million dirhams (25 percent); and Development, 526 projects costing 20 million dirhams (19 percent).

Equipment and infrastructure projects are mainly in the two central and north-western regions, which are highly urbanized and where development operations are reduced to the maximum extent (132 projects for 5.2 million dirhams).

22 Million Working Days

On the basis of an average wage of 18 dirhams a day and a 25-percent deduction from the previously mentioned allocation for expenditures on material and equipment, it is estimated that some 4.1 million working days will be offered to over 170,000 persons during this first phase lasting 24 days and 90,000 persons every month during the coming phases, corresponding to a total number of working days of about 22 million and an overall wage mass of 40 billion centimes, to be used in 10 months starting on 16 February 1984.

Rapid Economic and Social Projects

However, this operation is not only aimed at a maximum distribution of wages, but also the completion of economic and social projects that are both useful and able to be completed easily and rapidly.

This is why the 853 equipment projects essentially consist of (see Table 3 [below]): 102 green space projects (8.5 million dirhams, 16.4 percent); 97 projects for sidewalks and curbs (8.2 million dirhams, 15.8 percent);

133 wall and enclosure projects (6.8 million dirhams, 13.2 percent); 42 solid waste, street maintenance and cleaning projects (5.8 million dirhams, 11.2 percent); 113 miscellaneous construction projects other than housing or administrative buildings (5.6 million dirhams, 10.8 percent); 66 liquid sanitation projects (4.2 million dirhams, 8.1 percent); and 41 other projects (3.3 million dirhams, 6.4 percent).

Table 3. Main Projects and Financing for Economic Regions

Economic Region	Central		Northwest		Tensift		No.Cen.		South		So.Cen.		East.		Total	
	NC*	EFN*	NC	EFN	NC	EFN	NC	EFN	NC	EFN	NC	EFN	NC	EFN	NC	EFN
Green space	48	5.1	20	1.0	17	1.0	5	0.4	3	0.2	4	0.1	5	0.7	102	8.5
Paving, curb, sidewalks	41	2.7	10	1.3	4	0.9	3	0.2			17	0.8	22	2.3	97	8.2
Walls, enclos.	35	2.1	21	0.9	29	1.0	21	1.5	8	0.5	19	0.8			133	6.8
Solid waste, street clean., maintenance	14	1.9	10	1.5	5	1.4	2	0.3			11	0.7			42	5.8
Misc. construc.	30	1.5			48	1.4	10	0.4	4	0.4	4	0.3	17	1.6	113	5.6
Liquid waste	12	0.9	42	2.4			4	0.3	2	0.2	6	0.4			66	4.2
Misc. projects			16	1.0	18	1.4			6	0.8			1	0.1	41	3.3
Total Main Operations	180	14.2	119	8.1	121	7.1	45	3.1	23	2.1	61	3.1	45	4.7	594	42.4
Other Operations	74	1.8	82	3.9	63	1.9	21	0.5			19	0.9		0.3	259	9.3
General Total	254	16.0	201	12.0	184	9.0	66	3.6	23	2.1	80	4.0	45	5.0	853	51.7

NC* Number of projects

EFN* Allocation needed in 1 million dirhams

As for the infrastructure projects numbering 488, they are represented by (see Table 4 [following page]): 355 rural roads and trails projects (19 million dirhams, or 78 percent); 28 road and pavement projects (2 million dirhams, or 8 percent); 45 engineering projects (1.7 million dirhams, or 7 percent); 60 projects to improve and maintain roads and trails (1.7 million dirhams, or 7 percent).

Finally, with respect to development, there are 526 projects, including in particular (see Table 5 [next page]): 174 irrigation channels (8.5 million dirhams, or 42.5 percent); 89 reservoir and dam projects (3.4 million dirhams, or 17 percent); 50 reforestation and plantation projects (2.3 million dirhams, or 11.5 percent); 127 water supply projects (2.8 million dirhams, or 14 percent); 27 *kettaras* [translation unknown] projects (800,000 dirhams, or 4 percent); and 17 soil improvement projects (700,000 dirhams, or 3.5 percent).

The projects dominating the operation are: in the field of equipment: the green spaces, highways, sanitation and cleanup projects; in the field of infrastructure: communications; in the field of development: the irrigation channels, water supply, reforestation and soil improvement.

Table 4. Main Infrastructure Projects and Allocations by Economic Region

Economic Region	Central		Northwest		Tensift		No.Cen.		South		So.Cen.		East.		Total	
	NC	EFN	NC	EFN	NC	EFN	NC	EFN	NC	EFN	NC	EFN	NC	EFN	NC	EFN
Rural roads, trails	121	4.3	39	2.7	54	3.0	94	5.1	28	2.7	14	0.8	5	0.4	355	19.0
Roads, paving	4	0.5	10	0.4	2	0.2	3	0.2	9	0.7					28	2.0
Engin. proj.s	6	0.3	18	0.4			12	0.4	7	0.5	1		1	0.1	45	1.7
Repair, main. of roads, trails			14	0.5	5	0.2			0.1	40	0.9				60	1.7
General Total	131	5.1	81	4.0	61	3.4	109	5.7	45	4.0	55	1.7	6	0.5	488	24.4

Table 5. Main Development Projects and Allocations by Economic Region

Economic Region	Central		Northwest		Tensift		No.Cen.		South		So.Cen.		East		Total	
	NC	EFN	NC	EFN	NC	EFN	NC	EFN	NC	EFN	NC	EFN	NC	EFN	NC	EFN
Irrig. channels	15	0.6	3	0.2	42	1.9	21	1.4	24	2.3	23	1.1	12	1.0	140	8.5
Dams, reservoirs			3	0.2	58	1.2			28	2.0					89	3.4
Water supply	32	1.1	21	0.4	18	0.4	51	0.5	2	0.3	3	0.1			127	2.8
Reforestation, planting	15	0.1	11	0.3	12	0.3	4	0.2			5	0.3	3	0.2	50	2.3
Khettaras							22	0.6			5	0.2			27	0.8
Soil improve.	2	0.2	10	0.3	4	0.1					1	0.1			17	0.7
Total Main																
Develop. Proj.	64	2.9	48	1.4	134	3.9	98	2.7	54	4.6	37	1.8	15	1.2	450	18.5
Other Oper.			20	0.9	19	0.1	30	0.3	2		5	0.2			76	1.5
General Total	64	2.9	68	2.3	153	4.0	128	3.0	56	4.6	42	2.0	15	1.2	526	20.0

Satisfactory Progress on Employment Promotion

Launched on 16 February 1984, the national employment promotion operation actually began on Monday, 19 February 1984, with 276 sites and a total of 32,000 persons, which figures rose to 1,582 and 139,000 by Wednesday 29 February, ten days later.

After dropping slightly because of the 3 March holidays, the number of workers rapidly resumed the rising trend with 124,000 persons on 8 March and a total cumulative total of 1.9 million working days, corresponding to an overall wage mass of some 3.4 billion centimes and a net working period of 17 days.

By using updated information supplied by the provinces and prefectures one may draw up the record of the operation as follows on 8 March 1984 (see Table 6 [following page]): total number of sites opened: 1,706 out of a planned 1,867, or 90 percent, with rates of 100 percent for the southern and south central regions, 92 percent for Tensift and the eastern region, 88 percent for north central and 76 percent for the northwest region.

Total number of persons employed: varying between 80,000 and 140,000, depending on the day. It can be estimated at some 120,000 on the average compared with an anticipated 173,000, or 70 percent, with rates of 100 percent for the region of Tensift, 85 percent for the north central, 77 percent for the central, 64 percent for the south central, 61 percent for the eastern, 55 percent for the southern and 47 percent for the northwestern regions.

Total cumulative number of working days: 1.9 million, or 45 percent of the monthly target, after a net working period of 17 days, which means that at the conclusion of the first installment, a total number on the order of 3 million working days could be reached, compared with an anticipated 4.1 million, an estimated rate of completion of 75 percent, with rates of 100 percent possible in Tensift and the north central and south central regions.

Share of wages accumulated compared with the total credit allocation: on the order of 34 percent on 8 March and could go as high as 60 percent by the end of the phase (compared with an anticipated 70 to 75 percent).

Table 6. Progress on National Employment Promotion Operation on 8 March 1984, by Economic Region

Economic Region	Number Sites			Number Days			Personnel		
	Plan	Actual	%	Plan	Actual	%	Plan	Actual	%
Central	449	441	98	1,000,000	490,000	49	41,700	32,200	77
Northwest	350	266	76	895,000	211,000	23	37,300	17,400	47
Tensift	398	368	92	675,000	390,000	58	28,100	28,900	100
North Central	303	267	88	519,000	292,000	56	21,600	21,600	85
South	124	125	100	443,000	180,000	41	18,500	10,200	55
South Central	177	178	100	331,000	189,000	57	13,800	8,900	64
Eastern	66	61	92	295,000	111,000	38	12,300	7,500	61
Total	1,867	11,705	90	4,100,000	1,863,000	45	173,300	123,500	71

Additional Operation, Regular Investment Programs of Local Communities and Government

The decision made by the king to implement a special operation to promote employment this year stemmed from the results of the last census, but also from special economic and climatic factors threatening the purchasing power of households. They include: the rising prices of imported products, especially energy and food products, export difficulties, budgetary restrictions and the drought.

This whole set of factors, whose main consequences are inflation and unemployment, have made this operation, along with the price freeze and control, absolutely necessary.

However, in addition to this operation, which will result in an overall investment of 500 million dirhams, other investment programs of substantial importance are also planned as part of the normal activities of local communities and national promotion, which are respectively providing 23 billion and 28 billion centimes.

Finally, this set of programs, which are specific to the territorial administration and which in the final analysis correspond to a total allocation on the order of 100 billion centimes, now join the regular investment programs of other government ministries and agencies.

11,464

CSO: 4519/137

'PITIFUL STATE' OF NATION'S MILITARY PREPAREDNESS DECRIED

London AL-DUSTUR in Arabic Nos 318-319, 26 Dec 83 pp 32, 33

[Article by al-Taj Muhammad Ahmad: "The Security of the Sudan Is in Danger"]

[Text] Defense of the country's security is considered the basic focal point and main preoccupation of governments. It is a legitimate right that law and international custom guarantee and military, economic and diplomatic power protect. Such defense requires that local and international elements and factors which must be present be present; without them the country's security and survival will be exposed to danger and subsequently that will lead to foreign intervention, colonialism and civil war. The first and by far most serious element is the provision of effective military power in terms of the arms, equipment, training and combat capability suitable for protecting the country's borders from possible foreign attack and aggression and protecting the nation's unity and geographic boundaries from any domestic armed rebellion and uprising. The second important factor is related to the pursuit of appropriate policies in the area of government and the economy in the domestic and foreign area, to protect the higher interests of the government in stability, development and the service of the causes of the various sectors and groups of the population. The third factor is concerned with international and regional facts and changes which occur as a result of the various policies and strategies in the countries with which the country concerned is linked by vital interests, and the manner of dealing with the facts and handling changes from time to time.

However, a person following the issues of the Sudan's domestic and foreign security will deduce an obvious truth, which is that there has been a basic disruption in the defense of the Sudan's security because of political, military and economic factors which arise basically from foreign policy orientations and the joint defense agreement with Egypt in 1976, which has resulted in regional polarization between the two international blocs, the unfitness of arms and equipment and the unsuitability of armed forces training to bear the burdens of foreign defense, especially when a state of instability exists in relations with the regimes in Libya and Ethiopia, which have arms and military equipment that are several times greater than the capacity of the Sudanese forces, which has subsequently caused the latter to rely absolutely on American and Egyptian military protection, regardless of the consequences of this reliance for the security of the Sudan.

The size of the Sudanese armed forces comes to 58,000, of whom 2,500 are officers of various ranks. The majority of this force, 53,000 persons, consists of land forces which in their weapons procurement depend on old Soviet-made tanks, armored vehicles and military trucks which suffer from an absence of spare parts and maintenance, greatly reducing their field capability. The same is the case with the air force, whose strength comes to 3,000 men; it relies on old Soviet- and Chinese-made airplanes which are absolutely unfit for combat and maneuvering, for the same reasons as those mentioned above. The navy, with its current limited capabilities, is not considered a military force on any level, since it has no arms or naval combat vessels and units, and this has essentially reduced its role to fighting smuggling as a naval police operating on the Sudan's borders with the Red Sea. In addition, the Sudanese armed forces have not had any opportunity to develop their military and combat abilities in the past 10 years. Indeed, their previous limited capabilities have suffered constant deterioration in terms of arms, equipment, training, discipline, morale and loyalty, for a number of well known reasons, at a time when the military capabilities of neighboring countries, especially Libya and Ethiopia, have increased several times over, disrupting the balance of power in the region and exposing the Sudan's external security to grievous, direct danger. Libya now has 2,900 main combat tanks and 533 fighter and defense planes, and its armed forces number 73,000 persons, and in addition Ethiopia now has 900 main combat tanks and 107 fighter and defense planes, and its armed forces number 250,000 persons, while the Sudan now has 160 main combat tanks and 31 fighter and defense planes, and its armed forces number 58,000 persons. From this it is evident that there has been a major disruption in the military balance between the Sudan and its two basic neighbors, which has encouraged American foreign intervention to fill this vacuum.

In another area, during the same period, the Sudanese army has suffered the greatest process of dismissals, expulsions, imprisonments and executions in its long history; international statistics estimate that the armed forces have lost more than 15,000 members. Numerous new amendments, statutes and laws have been introduced into the army in this period with the purpose of making attempts to carry out a military coup almost impossible, or difficult to carry out, due to the centralization, movement, command and orders of the forces and the removal of all leaders and forces whose loyalty is suspect to locations remote from Khartoum. This is above and beyond the fact that the role of the armed forces has continued to be linked basically to the joint defense agreement with Egypt, which has become the cornerstone of the defense of the Sudan's security and the security of al-Numayri personally. This agreement of course has resulted in intensifying international polarization in the region, as is plainly apparent in the struggle now underway in Chad, the numerous visits of American fighter and reconnaissance planes to the Sudan and visits of American fighter and reconnaissance planes to the Sudan and Egyptian-American-Sudanese military maneuvers. Thus the Sudanese armed forces have become part of a great foreign military fortress, which has caused them to lose their independence and has paralyzed their ability to defend the interests of the people of the Sudan. We can say that the foreign security of the Sudan for the first time faces real danger as a result of international polarization and foreign intervention.

From the domestic political angle, the disruption of security was a normal outcome of numerous factors, by far the most important of which was the failure of Numayri's regime to deal with the economic situation and the issues of development, and its result has been financial and economic bankruptcy. The same is the

case with the issue of government, consultation and democracy, which have been buried under arbitrary individual dictatorial rule through exceptional laws, laws on state security, the armed forces and the judiciary. The list is long and it has been capped by the regional government law and lately the application of what has been called Islamic law. It was normal in such arbitrary poor political and economic circumstances that the Sudanese opposition movement domestically and abroad should be intensified, that a million of the best people of the Sudan should emigrate for political reasons and reasons of making a living, that the Sudan should be on the brink of civil war and that its national unity and the unity of its soil and its geographical boundaries should be shaken.

As for the relevant international facts and changes during the period of al-Numayri's regime, they began with the resumption of diplomatic relations with America, the expulsion of Soviet experts from Egypt and Somalia, the advent of Mengistu on the Ethiopian stage, the October 1973 war, the world oil crisis, the start of the international economic crisis, the end of detente between America and the Soviet Union and the signing of the Camp David agreement between al-Sadat and Israel. In the context of these new facts, the severity of international polarization has increased, being reflected on the regional stage following the changes in local alliances, since Egypt, Somalia and the Sudan have turned toward the West, and Ethiopia and Libya to the East, it has been accompanied by the construction and accumulation of very advanced weapons in extremely large amounts which the region had not previously witnessed at a time when the Sudan's other neighbors have military capabilities, which have resulted in foreign intervention, as was the case in Uganda, Central Africa and Chad. Therefore, the numerous calculations related to the military balance and national security of the countries in the region, headed by the Sudan. What have made the Sudan's situation more complex and have posed a serious threat to its domestic and foreign security are Numayri's foreign and domestic political orientations, which we have referred to.

For this reason, we can conclude that the security of the Sudan is in real danger, especially these days, with increased flagrant American military intervention on Sudanese territory, the establishment of military bases, the constant transit of combat and reconnaissance aircraft through Sudanese airspace and airports, and the pursuit of military maneuvers with Egypt and America, increasing the state of tension in relations with Libya and Ethiopia. Therefore, the defense of the internal and foreign security of the Sudan requires the presence of military, political and economic factors that are suitable to serve the interests of the people of the Sudan in security, development and progress. Since the Sudan's security is an integrated process which cannot be defended unless the military problem is solved, military ability is increased, and political problem is solved, the solution of the political problem will begin with the elimination of this corrupt dictatorial regime with the restructuring of power in a manner which will serve the cause of the various sectors and groups of the Sudanese people by restoring freedom, democracy and the rule of law. This democratic stability, far removed from attempts at military coups, regional movements and political disturbances, because it will give everyone a broad

opportunity for constitutional legitimacy. This democratic alternative, in the economic context, will mean an effort to eliminate the economic distress and bottlenecks related to the rise in the rates of inflation and unemployment, the recession, the lack of necessary goods and services and the decline in production and productivity, and correspondingly an increase in the rates of growth and economic development and the laying of just foundations for the distribution of national income. In the context of our foreign relations, it means the restoration of balance in our relations with the countries of the world, especially our neighbors in the African and Arab framework, through pursuit of the policy of positive neutrality, peaceful coexistence, respect for international charters, total alienation from regional and international military alliances, and a strong link with the Arabs' central cause in Palestine.

The solution to the military problem will begin with the restoration of the military forces to their normal role and their basic duties of defending the security of Sudanese territory from all foreign interventions or domestic armed uprisings. This means that they be totally alienated from political axes and legal legitimacy of a democratic regime. In addition, it is necessary to advance and develop the armed forces and raise their military and combat capabilities by increasing and concentrating on modern training, reorganizing forces on sound military bases, and importing the suitable arms for defending the Sudan in accordance with its economic abilities and its geographic nature by concentrating in particular on anti-tank and anti-aircraft weapons, combat helicopters, transport and reconnaissance planes and radar and rapid communications stations.

11887

CSO: 4504/194

SERIOUS DROUGHT IN WESTERN REGIONS DESCRIBED

London AL-DUSTUR in Arabic No 320, 9 Jan 84 Supplement pp 1, 3

[Article: "Drought Devastates the Western Sudan"]

[Text] The inhabitants of the Western regions of the Sudan have been carrying out a broad-scale migration to southern regions in search of water and food, now that severe drought has afflicted their region, and the Sudanese government has not been able to give them aid. This constitutes a catastrophe for the inhabitants of the Western Sudan, especially the Darfur area, from which most of the inhabitants of the northern area have migrated a distance of more than 480 kilometers to the south.

Agricultural authorities in the Darfur region have warned that they need urgent food aid so that they will be able to save the lives of thousands of families whom the drought has dispossessed. Otherwise, the disaster will reach its peak, since it will not be possible to control its results.

International bodies have been concerned with the drought which is devastating the inhabitants of the western Sudan, and the World Food Program has sent a fact-finding committee. The reports of this committee underline the enormous scope of the catastrophe and the fact that families in the region are now migrating on foot over distances of no less than 300 kilometers in search of food and water.

The World Food Program has bought quantities of wheat to send to areas that have been harmed by the drought, the government of The Netherlands has offered financial assistance to aid the Darfur region and the Australian government has contributed 60 tons of rice.

The people of the region point out that the government is hiding from them the aid that international bodies are offering it, or is bartering it for other foodstuffs and that in general these materials do not reach them. They assert this through the statements of the minister of finance at an earlier time, to the effect that his ministry would exchange wheat and other foodstuffs which international organizations offer for corn, since it is the dominant food in the area, while the aid commodities are appearing on the black market.

As a result of the drought and the lack of interest of the central government in Khartoum in aiding the region, the people are ridding themselves of herds of livestock they own, now that they have started to die off in large numbers in view of the drought and lack of fodder.

In Khartoum, wall posters issued by university students state that the Darfur region is on the verge of a comprehensive uprising against the central government resembling the uprising which occurred in the Darfur and Kordofan regions 3 years ago, in which the inhabitants took over government installations and burned down the offices of the government political organization, the Socialist Union, expressing their anger against the regime, which they described as the government of hunger and thirst.

11887

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NUMBERS, ORIENTATION OF CITIZENS LIVING ABROAD REVIEWED

London AL-DUSTUR in Arabic No 320, 9 Jan 84 Supplement pp 1, 2

[Article by al-Taj Muhammad Ahmad: "The Sudanese Emigrants Number a Million"]

[Text] Scientific statistics reaffirm that the Sudan is in third place in the past 30 years, after Lebanon and Egypt, in terms of scientific output (the scientific measurement of manpower) and the number of scholars specializing in scientific research, in spite of the increase in the level of education in all Arab countries during this period. This fact alone should not be considered a source of pride for all Sudanese and testimony underlining the ability of the people in the regional and international context. British Medical Society statistics have also shown that the success rate of Sudanese doctors in examinations for specialization fellowships exceeds 90 percent, which outstrips all the people of the third world.) In spite of all this high scientific level, the Sudan is still to be considered one of the poorest and most backward countries in the third world, due to numerous well known political and economic factors.

It is a prominent fact, clear to everyone, that the Sudan has a high level of human expertise in various fields, but in view of the condition the Sudan has suffered politically, economically and socially, which is the lowest level of deterioration and collapse, in the past 15 years, the Sudanese intellectuals' contribution in the general level has not been at the desired level. Indeed, the stage has continued to lack their positive participation and creative powers. The overwhelming majority of the Sudanese emigrating for material reasons and to escape the sad, sorrowful domestic condition. Various statistics and estimates unanimously show that the number of Sudanese emigrating in the last 10 years now exceeds 1 million. These people constitute about 20 percent of the total workforce and 40 percent of the workforce in the modern sector. In addition to that, one should note that 80 percent of them are professionals, technicians and skilled laborers and in addition 12 percent of them have above a secondary level education. In addition, 60 percent of them work in Saudi Arabia, 20 percent in Egypt, 10 percent in Libya, 5 percent in the state of the emirates, 2 percent in Kuwait and the remainder in other Arab oil countries and Western countries. These general statistics show in a manner that leaves no room for doubt the depth of the crisis and the gravity of the emigration, which has been draining off the best Sudanese minds and experts for a number of years, aggravating matters domestically, since the arena is now devoid of forces in the modern sector, which constitutes the cornerstone of development, modernization and management of the country's affairs. This by itself increases the ability of the forces of dominance and repression to control the people's destiny.

The emigration of Sudanese in large numbers in the past 10 years has arisen from numerous domestic and foreign factors and circumstances. However, by far the first and most important of these factors is the economic deterioration which has arisen from the constant deterioration in the true growth of the domestic economy in the past 10 years, which has been at a rate of negative 5 percent a year, in addition to the constant increase in the inflation rate, at 50 percent a year, which has been accompanied by a chronic shortage in necessary goods and services and the machinery and equipment needed for agricultural and industrial production, and the extreme shortage in oil and electric energy, transport communications and the hard currency needed for imports.

All these factors combined have led to the deterioration of agricultural and industrial production and the accumulation of foreign indebtedness, which now exceeds \$8 billion. In addition, a high percentage of the labor in administrative, political and security agencies of the government, and this has increased the government's expenditures a number of times over, although this increase has not been accompanied by a corresponding increase in production and productivity. This deteriorating economic situation has its social polarization resulting from the emergence of the society of the 5 percent, which owns everything, and the overwhelming deprived majority, and for religious values, tribal and local beliefs, and adherence to the morality of the people of the town and village. In addition, the deterioration of basic social services in health, education, transportation, energy, housing and labor has indeed led to an individual inclination to consume and an attempt by individuals to provide their basic needs themselves, as the government has abandoned its responsibilities toward the citizens.

The other factors which result from the deteriorated economic situation and to be found in the fact that the overwhelming majority of the emigrants mentioned in a scientific poll that the main reason for emigrating was the acquisition of enough money to build suitable dwellings especially in the main cities, which suffer from the problem of a lack of availability of housing for the majority coming in from the rural areas. In addition, the construction cost of new housing for professionals and technicians has increased 10 times over in the past 10 years, while their domestic wages have just tripled in this period, and inflation devours most of that. For this reason, the only way to realize the construction of suitable housing is by emigrating for a period of at least 5 years; such emigration is mandatory in the case of the overwhelming majority of them.

Another factor which is of no less importance than the acquisition of suitable housing is the acquisition of work, whatever its nature might be, to ensure an honorable living for the emigrant and his family, who are deprived in the Sudan, since in each household there is at least one person who has emigrated because the unemployment now exceeds 1 million. Owing to the weakness of the economic structure in various domestic economic sectors, the government has been and still is the basic employer in the modern sector, and, when the government abandons the responsibility of hiring graduates of schools and universities, thousands of young people have no relief except to look for work outside the Sudan.

In another area, when the intensity of the domestic economic crisis grew as a result of economic deterioration and the increase in the rate of inflation and unemployment, there occurred a deterioration in agricultural and industrial production, the October 1973 war, the world oil crisis and the accompanying

tremendous increases in the income of Arab oil-exporting countries, increase in prices of imports from the industrial countries to the countries of the third world. Conversely, these increased the opportunities for work at high wages in the Arab oil countries, which continued to suffer from a constant, severe shortage in competent professionals, technicians, skilled laborers and so forth. For this reason, it was normal that this flood of emigrants should proceed to take maximum advantage of this golden opportunity to solve the problem of unemployment and economic deterioration inside the Sudan, and indeed emigration in large numbers occurred after 1975, especially among professionals, who felt, earlier than others, a lack of material and professional security and stability in the Sudan, for the economic, political and social reasons we have referred to above.

Thus it is apparent, luckily for a large number of Sudanese and for the ruling regime, that extensive job opportunities have been provided in the Arab oil countries, and this has reduced the intensity of the crisis on the one hand and deprived the country of its best minds and experts at a time when the country's progress and development is in greater need of them than at any time in the past. Therefore the problem of emigration now has two sides, one related to its material benefits, as embodied in the diversion of emigrants and the political benefit of partially solving the problem of unemployment, and the other related to the political, social and economic losses from migration. Perhaps the most serious of these losses is embodied in the emigration of technicians and professionals.

Scientific statistics show that the number of Sudanese university and higher institute graduates who have received their education and training inside and outside the Sudan since independence exceeds 100,000. In addition, the number of students in universities and higher institutes domestically and abroad who it is expected will graduate past [sic] years now is estimated at 50,000. In another area, requirements for people in various fields of professional and technical specialization are estimated at 150,000 graduates, in accordance with the requirements of necessary services, progress, and economic development, if normal life is to be restored to its condition of before the May revolution. At the same time, we find that about 50,000 graduates of universities and higher institutes have emigrated in the past 10 years, representing 40 percent of all university graduates and 55 percent of all graduates of higher institutes. In addition, one should observe that the rate of emigration among people in higher fields of specialization has involved very large numbers, since about 1,600 doctors, 600 university lecturers, 2,000 engineers, 1,500 farmers, 4,000 economists and accountants, 300 pharmacists, 500 veterinarians, 1,000 science graduates, 2,000 law students and about 3,500 higher teachers have emigrated.

From this, we can infer that the emigration of this large number of the most precious, rarest of Sudanese resources, on which the development, is serious in nature. However, this collective forced migration over the past 10 years has emptied the stage of the participation and contribution of the forces of the modern sector at a time when the Sudan needs them more than at any time in the past, in order to bring down dictatorship and corruption. All that is needed of the emigrants now is positive participation aimed at restoring freedom, democracy and the rule of law, by refraining from remitting their hard currency

earnings to the Sudan, which are now estimated at \$500 million a year. This action alone will guarantee that the increase in the rate of inflation is stopped, that the ruling regime is deprived of financial support in hard currency and that the black market and speculation in the Sudanese pound, which now is not equal to anything worth mentioning, are stopped. This contribution is the least form of devotion and the least that can be offered for the nation.

11887

CSO: 4504/194

HEAD OF ARABIC INSTITUTE DISCUSSES PROGRAMS, CURRICULUM

Tunis AL-'AMAL in Arabic 25 Jan 84 p 12

[Article by Abdesselam Loussaila: "With the Director of the Khartoum Institute for the Arabic Instruction of Non-Native Speakers: The Systematic Scholarly Instrument Is a Necessity for Arabic Cultural Security"]

[Text] Dr Ahmad 'Abd-al-Halim is the director of the Khartoum International Institute for the Arabic Instruction of Non-Native Speakers and is also a professor at the University of Khartoum in the Sudan and an expert with the Secretariat General of the League of Arab States in the field of social development. He was previously a minister of culture and information in the Sudan. We met him in the headquarters of the Arab Education, Science and Culture Organization and had this conversation with him.

An International Mission for the Arab Nation

[Question] What is the activity of the Khartoum International Institute for the Arabic Instruction of Non-Native Speakers?

[Answer] The Arab Education, Science and Culture Organization established this institute in response to two demands, one concerning the Arab nation itself and the other related to its international mission. Its demand is to support the Arab countries possessing particular linguistic and cultural conditions by asserting the sovereignty of the Arabic language in their societies, preparing specialists in the teaching of Arabic to non-native speakers, conducting basic and applied research on the Arabic language and comparative and correlative research between Arabic and other languages, and preparing educational texts of levels of increasing complexity for various purposes, as well as educational techniques, teacher guides, procedures and dictionaries which will help in the proper application of these texts and the facilitation of Arabic learning and erudition.

Regarding the international mission the Arab nation is orienting itself to carry out, on behalf of its Arabic and Islamic language and culture, the institute's relevant role is embodied in the admission of people from Islamic countries and people from other countries with the objective of preparing them to be able to teach Arabic to their own people and preparing teachers who have the ability to assume supervisory and educational guidance responsibilities, because the Arab

nation bears a special sacred responsibility toward the language of the holy Koran, the vessel of Arab Islamic civilization, in the field of developing it to impose and spread erudition in it and support its status in international gatherings and foreign scholarly circles, so that it may thereby regain the power it had in the eras of the flourishing of Arab culture and Islamic civilization, so that our nation may regain historic initiative and contribute its potent efforts in modern human civilization. We must in this regard assert that the Arabs have a special responsibility toward their non-Arab Moslem brothers who are eager to learn Arabic so that they may be able to make judiciary deliberations regarding their faith from its basic sources.

Concentrated Training Courses

[Question] What results has the institute achieved?

[Answer] Since its establishment in 1974, the institute has managed to graduate classes of advanced level specialists in the instruction of Arabic to non-native speakers, including people who have gained accreditation in it and have a degree of a higher diploma in specialization in the instruction of Arabic to non-native speakers or a master's degree. Today they are spread about inside and outside the Arab nation and are teaching Arabic to people who speak other languages. They have come from Arab countries (from Morocco, Mauritania, Algeria, Egypt, the Sudan, Somalia, Palestine, Syria, Iraq and Jordan), from African countries (Chad, Nigeria, Mali, Gambia, Tanzania, and Ruwanda), from Asian countries (Pakistan, Bangladesh, India, Afghanistan, Malaysia, Thailand, Indonesia, Sri Lanka, the Phillippines, Korea and China), and from America (France, Sweden and Finland [sic]).

The institute has also managed to hold intensified training courses for direct teachers to teach Arabic to non-native speakers, in cooperation with the International Cooperation Agency for the Development of Arab and Islamic Culture; these are held in the context of the Arab Education, Science and Culture Organization. Perhaps the most important effort to this end has been the training courses for Arabic teachers in the Islamic Republic of Pakistan, to assist that government's efforts to uplift the Arabic language in its territory. It held an experimental training course last year in which it experimented with the curricula of preparation and the book (the language of the Koran) prepared for instruction in classes from the sixth to the 10th grade in Pakistani schools. Amendments which the experiment discovered were needed in the two sections of the book on Arabic instruction and in the first and second parts of the book on the language of the Koran were made.

The institute also organized a new course in 11 centers, in which more than 2,000 teachers are expected. That lies in the context of the execution of the plan agreed upon between the (Alexo) organization and Pakistan, with the objective of training 10,000 Pakistani Arabic instructors over a period of 5 years.

In other intensified training courses which have been held in the institute's headquarters in the Sudan, students have enrolled from Kenya, Chad, Uganda, Zaire, Mali, Tanzania, Somalia and the Sudan.

Research on Arab Culture and Islamic Civilization

[Question] Does the institute perform scholarly research as part of its activities?

[Answer] In the realm of research, the institute is concentrating on basic statistical research on the Arabic language and in correlative studies between Arabic and other languages connected to Arab culture and Islamic civilization, especially those languages the students speak, with emphasis on the languages of Islamic peoples and modern world languages. In pedagogical and social research, the institute concentrates on the conditions of Arabic language and Arabic and Islamic culture in various countries and methods of teaching Arabic and putting its curricula and bilingual dictionaries with introductions to Arabic into general use.

The institute has started to publish some of these research works independently or as part of its specialized scholarly periodical, AL-MAJAL AH AL-'ARABIYAH LIL-DIRASAT AL-LUGHAWIYAH, which it puts out twice a year.

The institute is planning to grant an intermediate diploma to people who do not have university degrees, and it hopes that it will soon be able to open branches outside the headquarters, especially in some Islamic countries in Asia. It hopes that it will in future days be able to give the opportunity to prepare for the grant of the doctorate.

Assuming the Cultural Role

[Question] What is your evaluation of the role of the Khartoum International Institute for the Arabic Instruction of Non-Native Speakers?

[Answer] The establishment of this sort of systematic scholarly instrument is a necessity for Arab cultural security and the confrontation of civilization between our nation and its Zionist enemy. It is also considered a fruitful instrument in the exercise by the Arab nation, and its language and culture, of its right to an international presence and the assumption of its cultural role.

11887

CSO: 4504/194

SUDAN

BRIEFS

JOURNALISTS' UNION--The Sudanese Journalists' Union has established a financial fund to support the members of the union in the Sudan. Mr Yusuf al-Shanbali, secretary general of the union, directed an appeal to Sudanese journalists abroad, pointing out "Through the initiative of many people, the notion of establishing a fund to aid our journalist colleagues domestically, as well as those people abroad who might need our aid, has taken concrete form. The Federation of Arab Journalists, which embraces many of these sorts of activities, is going through difficult financial circumstances, but they are nonetheless temporary, and some people, also under urging from our colleagues at home, consider that our brothers who are working abroad should contribute reasonable, regular contributions to this fund, in the area of \$100 a year, which would be paid once at the start of each year or in two instalments, on 1 January and 1 July, beginning in 1984." [Text] [London AL-DUSTUR in Arabic Nos 318-319, 26 Dec 83 p 3, No 320, 9 Jan 84 Supplement p 3]

CSO: 4504/194

GRAIN PRODUCTION, DEMOGRAPHIC, ECONOMIC, SOCIAL DATA REPORTED

Tunis LE TEMPS in French 13 Mar 84 p 3

[Text] In recent months Tunisia's grain production has made the headlines. Inadequate production is a serious matter for a country such as ours, which aspires to be self-sufficient in food, one of the main factors of economic independence. The theme, "Tunisia, Rome's Bread Basket of Yore," has become a trite phrase and reality is sadly different. The backwardness of Tunisia's rural areas, the rural exodus, the discrediting of agricultural activities, the system of working farmland, the modernization of means of production and the popularization of agricultural research: These are all current agricultural issues.

The fact remains, however, that our grain production is insufficient. We import grain. In order to keep prices within the reach of the consumer, the government bears part of the real cost (nearly 50 percent).

CONJONCTURE, the organ of the Ministry of National Economy has just published a study of the grain question in its March issue. The study is based on three factors: demographic, economic and social.

Demographic Evolution

In 1980, the Tunisian population reached 6,369,000 inhabitants.

The percentage of the rural population is declining: from 53 percent in 1975 to 48 percent in 1980. This shows the loss of population of the rural world, which has grave consequences on the entire development policy in general and on the agricultural development policy in particular. In developed countries the rural exodus has been helped by the "industrial revolution" and workers freed from agriculture have been hired in industry. In the case of Tunisia, the rural exodus only increases urban unemployment and inflates the tertiary sector, whence the need to rethink our policy of rural development.

The active population went from 1,621,800 persons in 1975 to 1,809,800 in 1980, a growth rate of 2.7 percent, which is equal to that of the total population.

Between 1975 and 1980, two active persons has to support seven other persons.

In relative terms, the active agricultural population remained stagnant between 1975 and 1980, representing about one-third of the total active population. In addition, 1 active farmer feeds 11 Tunisians. The number of farmers dropped between 1975 and 1980, while the number of wage earners rose between those two dates, which denotes increased concentration of ownership in the agricultural field.

In 1975, the number of active grain growers was 112,690, which represents 21 percent of the active agricultural population and 7 percent of the total active population. One active grain grower feeds 50 Tunisians, but does the production of all grain growers meet the needs of the Tunisian population?

Economic Factors

A reading of the three last Tunisian Development Plans (4, 5 and 6) reveals that their goals for grain are: self-sufficiency in grain, with the exportation of hard wheat to cover our needs for imported soft wheat; encouragement of the use of fertilizer and select seed to improve yield.

Production of Grain

Area occupied by grain: In Tunisia, for an arable area of some 4.7 million hectares, grain occupies nearly 1.5 million hectares, or one-third.

The area planted in grain varies sharply from year to year, with the highest level reached in 1976, with 1,968,000 hectares.

Based on type, we see a trend toward more land planted in hard wheat and barley, while less land is planted in soft wheat.

The percentage of the area planted in hard wheat represents over half of the area used by grain. We see that between 1971 and 1977, that percentage tended to rise, then fell. In contrast, one sees a decline in the area planted in soft wheat and an increase in the percentage of barley.

In addition, the grain area per person has remained nearly stagnant, varying between .34 hectare in 1976 and .21 hectare in 1980.

In 1975, one active grain grower had an average of 13 hectares in grain, with 63 percent in hard wheat, 27 percent in barley and 10 percent in soft wheat.

Production

An examination of data on grain production in Tunisia in the 1970's shows that it went up and down, mainly due to climatic conditions.

Production of hard wheat and of barley shows a rising trend. In contrast, production of soft wheat has tended to drop since 1975, a fact one must relate to the poor prices of that commodity, massive imports and the reduced amount of land planted in that commodity.

Trends in Grain Production, Areas and Yield

Production 1,000 Tons		Area 1,000 Hectares			Yield/Hectare
Year	Hard Wheat	Soft Wheat	Barley	Combined	Hard Wheat
1971	427.9	217.8	145.8	791.5	692
1972	652.0	262.0	236.0	1,150.0	862
1973	490.0	200.0	212.0	902.0	865
1974	655.0	202.0	228.0	1,085.0	991
1975	788.5	146.5	310.1	1,245.1	917
1976	720.0	170.0	240.0	1,050.0	1,266
1977	480.0	90.0	100.0	670.0	1,079
1978	650.0	100.0	200.0	950.0	1,031
1979	600.0	80.0	270.0	950.0	1,046
1980	740.0	129.0	296.0	1,165.0	818
1981	804.0	169.0	270.0	1,233.0	821

Soft Wheat	Barley	Combined	Hard Wheat	Soft Wheat	Barley
248	339	1,279	6.2	8.8	4.3
260	385	1,507	7.6	10.1	6.1
275	400	1,540	5.7	7.3	5.3
195	384	1,570	6.6	10.4	5.9
149	387	1,453	8.6	9.8	8.0
126	576	1,968	5.7	8.7	4.2
104	311	1,494	4.4	8.7	3.2
101	497	1,629	6.3	9.9	4.0
88	642	1,776	5.7	9.1	4.2
80	413	1,311	9.0	16.1	7.2
94	530	1,445	9.8	18.0	5.1

In addition, grain production per person varies greatly, going from 222 kilograms in 1975 to 113 in 1977.

In 1975, an active grain grower harvested an average of 11 tons of grain, 63 percent of it hard wheat, 25 percent barley and 12 percent soft wheat.

Over half of the grain production in Tunisia is hard wheat, with its share varying from season to season. The share of barley is over 20 percent and tends to rise. In contrast, the share of soft wheat tends to decline.

Yield: Like the two other variables, yield fluctuates also and we can see that soft wheat yield is greater than that of hard wheat and barley.

Production prices of grain: Prices to producers have constantly risen during the second decade of development. Prices of hard and soft wheat rose 79 percent from 1972 to 1981, while the price of barley went up 130 percent during the same period.

The price of a quintal of hard wheat is higher than that of the other two types of grain.

In 1972, a quintal of hard wheat cost the same as 1.7 quintals of barley and a quintal of soft wheat was worth the same as 1.5 quintals of barley. In 1981, the ratios rose to 1.4 and 1.2 respectively. It would therefore appear that there is a tendency toward an equalization of grain prices.

Prices to Producer of 1 Quintal of Grain (in dinars)

<u>Year</u>	<u>Hard Wheat</u>	<u>Soft Wheat</u>	<u>Barley</u>
1972	4.8	4.3	2.8
1973	4.8	4.3	2.8
1974	5.6	5.0	3.5
1975	6.4	5.8	4.3
1976	6.6	6.0	4.5
1977	6.9	6.3	4.8
1978	7.4	6.8	5.3
1979	7.6	7.0	5.5
1980	8.3	7.5	5.8
1981	8.6	7.7	6.3

Average gross income per hectare: Multiplying the price of a quintal by the average production per hectare gives us what we call average gross income per hectare. That income fluctuates, but it tends to rise, mainly because of the evolution in the price to producers and a slight improvement in yield.

We note that the average gross income per hectare is relatively higher for soft wheat than for hard wheat and barley. Results found to date contradict the drop in production of soft wheat.

Importance of grain growing in domestic production: The share of agriculture in gross national production is dropping, going from 23 percent in 1975 to 18 percent in 1980.

In addition, the share of grain growing in gross national production varies, but it has never exceeded 7 percent during the 1970's. Furthermore, it represents about one-fifth of all agricultural production, while tending to drop.

Trade

Our grain exports were insignificant during the 1970's and even if they existed, they included only hard wheat, which does not correspond to one of the plan goals, which seek to encourage exports of hard wheat in order to finance imports of soft wheat.

In addition, the share of value of agricultural products exported compared with all exports is dropping because it successively represents 33 percent in 1971, 18 percent in 1975 and only 9 percent in 1981.

Value of grain imports: The share of grain going for human consumption compared with the total value of our imports varies between 7 percent in 1971 and 4 percent in 1975.

In addition, the portion of grain in our imports of "food for human consumption" tends to drop, while still remaining over 10 percent.

Although our trade balance shows a chronic deficit, the trade balance for food, which showed a surplus between 1971 and 1974, now has a deficit. In other words, our agricultural production going abroad no longer covers our demand for foreign food products and furthermore, is scarcely covers our grain imports which, in 1980, could not be covered by our exports and food products.

Soft wheat has the largest share of the value of imported grain.

The cost of importing grain per person spirals upward, going from 2,400 dinars in 1971 to 13,327 dinars in 1981.

Quantities of grain imported: Although the volume fluctuates, it tends to rise. Soft wheat has the largest share, especially from 1971 to 1976, while the share of hard wheat is rising, in contradiction with one of the goals of the plans, to wit, self-sufficiency in hard wheat. There are even plans to export part of the production to meet the bill for imported soft wheat.

The amount imported per person tends to rise, going from 63 kilograms in 1971 to 144 in 1981.

Import prices: These prices fluctuate, tending to rise, with a quintal of soft wheat going from 3,700 dinars in 1971 to 8,500 in 1981.

The price of hard wheat is higher than that of other types of grain.

In addition, prices to producers of grain are higher than those for imports, but the situation turned around in 1979 for hard wheat and in 1980 for soft wheat. This reversal of the situation should be accompanied by measures that can encourage national production and make us achieve self-sufficiency in grain as soon as possible.

In addition, the relative share of expenses reserved for grain is dropping with increased income.

It is true that the relative stability of grain prices and the prices of their by-products, accompanied by a relative increase in income, has brought about a change in the structure of food expenditures in monetary terms.

Amount of grain consumed: Average consumption per person per year went from 147 kilograms in 1965-1968, 181 kilograms in 1975 and 194 kilograms in 1980, whence an average daily consumption of 403, 496 and 532 grams respectively.

The structure of average grain consumption has experienced a change. Actually, the shares of hard wheat and barley are dropping, while that of soft wheat is increasing.

The average quantity per year per person of grain turned into bakery bread went from 27 kilograms in 1965-1968 to 52 kilograms in 1975 and 64 kilograms in 1980, whence an average daily consumption of 74, 142 and 175 grams respectively. That increase is mainly due to the increase in urbanization, for the demand for soft wheat increases with the increasing speed of urbanization.

Consumer prices of grain: According to consumer surveys, the average price of a kilogram of grain went from 80 millimes [1/1000 dinar; 1 dinar = 11.5 francs] in 1965-1968 to 72 millimes in 1975 and 105 millimes in 1980.

Prices of grain and grain by-products have increased, but they have evolved less rapidly than the general level of prices and that of the food group.

The comparison between grain consumption and production for the years 1975 and 1980 shows that: Production of hard wheat could meet human needs. Production of soft wheat covers only 44 percent of human consumption in 1975 and 28 percent in 1980. Production of barley far surpassed human consumption.

Grain and nutrition: Grain meets a certain number of basic nutritional needs of the Tunisian people. This is particularly so of calories, protein and Vitamin B₁.

Grain and grain derivatives supply 60 percent of all calories consumed. The average Tunisian tends to meet most of his caloric needs through grain, especially in the case of the poorer people.

In addition, a calorie deficit of over 20 percent can result in weight loss, loss of strength and poorer work performance.

Social Data

During the second decade of development, household spending on food made up an average of over 80 percent of income.

Economic theory tells us that this proportion tends to increase in low-income families and that any increase in the income of poor families is accompanied by increased consumption.

In this section, we are analyzing the evolution of household consumption based on the three latest studies of household consumption conducted by the National Institute of Statistics and especially on the "Food" chapter which is related to our study.

Although the average conceals disparities, we nevertheless refer to it, for the purpose of the study is not to deal with inequalities in consumption, but rather, consumption as a whole.

The total average sum spent per year per person went from 157 dinars in 1975 to 248 dinars in 1980, whence a rate of increase of 11 percent. At 1975 prices, that rate is reduced to 4 percent.

On the average, a Tunisian reserved 62 dinars in 1975 for food, compared with 104 in 1980, meaning an increase of 11 percent.

Total and food expenses increased at the same rate between 1975 and 1980.

Spending: Money spent on food takes up a large portion of the budget of the Tunisian family.

The percentage of the population reserving over half of its budget for food was 80 percent in 1965-1968, 59 percent in 1975 and 56 percent in 1980.

An examination of the evolution of the structure of money spent on food reveals that: the portion reserved for grain and vegetables is down; the portion reserved for sugar and fish is constant; and the share for other products, with the exception of oils and fats and miscellaneous expenses, is rising.

The average sum spent per person on grain went from 12 dinars in 1965-1968 to 20 in 1980.

The percentage of the population whose spending on grain amounts to over one-third of food expenses is 80 percent in 1965-1968, 20 percent in 1975 and only 10 percent in 1980.

It is true that the prices of calories from subsidized products (grain, oil and sugar) are the least expensive and that they are evolving less rapidly than the general price level of calories. However, in 1980, 12 percent of the Tunisian population could not meet its minimum calorie needs.

General Compensation Fund and grain: Money of the Fund reserved for grain in the import, production and processing areas went from 20 million dinars in 1975 to 103.5 million in 1983 and it is expected that these sums will go to 162.1 million dinars in 1984. The share reserved for grain rose to 34 percent in 1975.

Average compensation per person for grain was 3.600 dinars in 1975, 20.800 in 1983 and will be 23.100 in 1984.

Achievement of food self-sufficiency, especially regarding basic products such as grains, becomes an absolute necessity, this in order to reduce our foreign dependency, ensure our food security and spare large sums of foreign exchange that should be spent on projects creating jobs.

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CSO: 4519/139

BAHRAIN

BRIEFS

ECONOMIC AGREEMENT WITH ROK--An economic cooperation agreement was signed here today between the State of Bahrain and the Republic of Korea. The agreement necessitates the formation of a joint committee to meet annually to discuss economic issues between both countries, the means to develop them, and projects that could be jointly implemented. [Summary] [GF021231 Manama WAKH in Arabic 0850 GMT 2 Apr 84]

AMIRI DECREE ON WAGES--Bahrain's workers are to get a better wage deal thanks to a decree now put into force. New minimum wage levels, equal pay for men and women, and protection of wages in the event of bankruptcies, are some of the innovations. The Third Amiri Legislative Decree of 1984 follows a 25-article agreement reached in Jordan last year at the Arab Labour Conference. Article 8 safeguards wages in the case of a company going bankrupt, ruling that they will take priority over all other payouts. Bahrain has also agreed to set up a minimum wage level committee. Those setting the minimum wage levels will not be solely government representatives. Employers and workers themselves will also take part. [Excerpts] [GF220536 Manama GULF DAILY NEWS in English 22-23 Mar 84 p 1]

CSO: 4400/216

GOVERNMENT ADMINISTRATOR TRIED FOR CRITICIZING STATE

Tel Aviv HA'ARETZ in Hebrew 27 Feb 84 p 6

[Article by Shemu'el Mittelman: "For the First Time a Government Employee Is Brought to Trial for 'Insulting Criticism'"]

[Text] The director of the foreign unit in the information center, Gid'on Sapiro, 48, was convicted over the weekend by the government workers' disciplinary court of having criticized the government and its policy in an insulting and damaging way.

At the civil service commission, no one can recall a precedent in which a government employee was brought to trial for such an offense. The commission brought nine charges against him of sending letters to newspaper editors and to the government's judicial advisor in which he "levelled insulting and damaging criticism at the government and its policies" in violation of regulations and the state's civil service law.

About the Racism of the Jewish People

In the first charge the commission claims that on 23 April 1982 the local paper KIL HA'IR in Jerusalem published a letter to the editor sent by Sapiro in which he alluded to the firing on the al-Aqsa mosque committed by Alan Goodman. Sapiro wrote that Goodman's deed was, among other things, a result of the policy of conquest and annexation, of control and repression of the Palestinian people and of the racism which is taking over in the Jewish people.

In the second charge, the commission quotes a letter that Sapiro wrote to the government judicial advisor, Professor Yitzhaq Zamir, which was published in HA'ARETZ on 1 October 1982. Sapiro asked that Professor Zamir bring to trial the defense minister at the time, Ari'el Sharon, and then Chief of Staff Fefa'el Etan "for the crime of abetting murder" with regard to the slaughter at the Sabra and Shatilla refugee camps.

A Protest to Begin

The indictment continues that on 3 June 1983 the local paper the QOL YERUSHALAYIM published a letter which Sapiro sent to Chief of Staff Moshe Levi, with whom he served, he says, in the Sinai campaign and with whom he jumped at the Mitla Pass.

Sapiro attacks the IDF for being "an aggressive army of conquest that busies itself with trampling on the human rights of over a million Palestinians" and he accuses Lt Gen Levi of involvement in "crimes against humanity which the IDF carried out in Lebanon...and the oppressive regime in the territories."

The state civil service law forbids government employees from criticizing the government, its ministries and its policy in a press conference, newspaper interview, public speech, broadcast or in a newspaper or a book.

A spokesman for the civil service commission, Yehuda Levanon, noted that Sapiro had already been brought to trial a few years ago for using official Information Center stationery to write a letter to former Prime Minister Menahem Begin in which he protested the granting of clemency to Yehoshua ben Tzion. For that infraction Sapiro was reprimanded and fined 500 Israeli pounds.

Gid'on Sapiro, who portrays himself as a "man of the radical left," rejects the charge attributed to him. A government employee, he avers, is not required to agree with government policy. He recently filed a counter-suit with the regional labor court in Jerusalem against the Information Center for cutting his vehicle supplement as the owner of an official vehicle--in his words, it was because of his political views. A written defense against the suit has been filed.

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CSO: 4423/42

STUDY OF OFFICIAL BORDERS OF JERUSALEM DISCLOSED

Tel Aviv HA'ARETZ in Hebrew 2 Mar 84 p 15

[Article by Nadav Shraga'i: "A Jerusalem of Borders"]

[Text] In February 1982 a small group of close associates, planners and local politicians were invited to the home of the mayor of Jerusalem, Teddy Kollek. They were given a printed, unsigned working paper that allowed, among other things, that "there exists a need for reexamining the scope of Jerusalem's jurisdiction in two main ways: 1, land reserves for long-term municipal development and 2, guaranteeing access corridors and main roads to serve the connections between the parts of the city and the metropolis. One of the alternatives is the municipal organization of greater Jerusalem into secondary units and the establishment of an umbrella framework for the entire area." Then, as now, Kollek opposed enlarging Jerusalem's jurisdictional boundaries. He defined the goal of the discussion in terms of the effects of autonomy, if it should eventually apply to Jerusalem, but mainly insisted on the need to examine the desired ties and bond between the settlements in the Jerusalem metropolitan area to the city itself.

The discussion took place against a backdrop of rumors and fragments of information that had reached the mayor's office that the Israeli government, at the initiative of then Defense Minister Ari'el Sharon, was planning to expand Jerusalem's borders and place the adjacent areas under Israeli law. According to those pieces of information, by April 26 of that year, the date for the completion of the withdrawal from Sinai, the government would undertake an initiative of that sort. The working paper carried the headline "The Municipal Organization of Greater Jerusalem." It was formulated very succinctly and contained three main headings: "major problems," "the goal," and "alternatives for Greater Jerusalem's municipal organization."

The Jerusalem Institute for the Study of Israel this week published a summary of research aimed at precisely locating the metropolitan boundaries of Jerusalem. Despite the scholarly cloak in which the research was wrapped, and properly so, it was difficult to ignore the identity of those who drafted it. Among others in the steering committee were Efra'im Shilo, Jerusalem affairs coordinator in the interior ministry, and Morris Zilke, until 2 months ago Kollek's advisor on East Jerusalem. The principal investigators were Isra'el Qimhi, head of the mayor's policy planning branch, professor Shalom Reichman, from the geography

faculty of the Hebrew University in Jerusalem and Prof Joseph Shveid. Qimhi, Shilo and Reichman were among the people invited to Kollek's house 2 years ago, and the political significance of the research certainly was not lost on them.

The open part of the research that the Institute published is weak in explaining its goals. The investigators, some of them participants in the day-to-day administration of the city, are well aware of its problems but refrain from citing examples or instances that would demonstrate the need to establish the municipal boundaries. Just one sentence from the preface by Prof David Amiran, the chairman of the institute, alludes to the second, larger part of the research which remains confidential: "The prime factor which makes metropolitan Jerusalem exceptional is the political circumstances. From a purely geographical consideration, the metropolitan area of the capital includes the entire area from Ramallah and al-Bira in the north to Bayt Lahm and Bayt Jala in the south, and from Kfar Adumim in the east to Mevaseret Tzion and even Sho'eva in the west. This area contributes to the regular workforce of Jerusalem and maintains close commercial ties with it." Professor Amiran continues that, unlike Tel Aviv and Haifa, which have an established metropolitan framework that organize their settlement areas at various levels, this kind of organization does not exist in Jerusalem. The Arab cities in the capital area, which are located across the green line, maintain service and administrative systems parallel to those of the capital and are not integrated into the established metropolitan area of which Jerusalem is the center.

One might expect that after these prefatory remarks the editors of the research would specify how to turn Jerusalem into a metropolitan center. But the published booklet makes do with a purely academic view of four possible parameters for establishing the metropolitan border.

The first parameter suggests establishing the greater Jerusalem line in accordance with the district and subdistrict borders today and in the past. After a detailed listing and comparison of the district and subdistrict borders today, in the Jordanian period and in the mandate period, the investigators' conclusion is that the annexation of the Hebron subdistrict would be, by this criterion, quite natural because of the tight social and family ties between the populations of Jerusalem and Hebron.

The second parameter would be to establish the Jerusalem area on the basis of equal travel times for private vehicles. The point of departure for this approach is the behavioral suggestion that all travel for work, shopping and study be accomplished within 45 minutes. Most of the territory within the 45 minute range to the north-west is, for most intents and purposes, within the sphere of influence of metropolitan Tel Aviv, and in order to change that situation it would be necessary to improve the road network into Jerusalem at several stages.

The third parameter is the residences of those employed in Jerusalem who do not live there, about 24,000 in all. About 15,000 of them are Arab residents of Judaea and Samaria, with about 8,000 Arabs and Jews who reside within the borders of Israel. The main conclusion from an analysis in terms of this parameter

is that one could fix the metropolitan borders at a distance of 15-18 km from the center of Jerusalem. The size of the enclaves in the south, in the direction of Hebron, exceeds those of the north to a significant extent, and one might thus suppose that the bonds of the southern area to Jerusalem are more broadly based, the team writes.

The fourth parameter is the range of services to the Jewish settlements in the center of the country. This check was conducted by means of a questionnaire distributed to most of the settlements in Judaea and Samaria, except for those closest to Jerusalem, whose ties to the city are clear. A total of 66 settlements responded. The questionnaire delved into the degree of dependence upon commercial and public services such as health, education, etc. For the purpose of the check, lines were established halfway between Jerusalem and Tel Aviv and Jerusalem and Be'er Sheva, and the ties of the settlements adjacent to these lines on both sides were checked as well as the ties of those settlements between the lines and Jerusalem. On the basis of this parameter, the boundary of Jerusalem's metropolitan area in the north includes Shilo, up to Be Shemesh in the west, to Hebron in the south, and to the Jordan valley in the east.

When the team tried to check Jerusalem's function as a supplier of services to the Arab inhabitants of the area, it turned out that the information is fragmented and rests mainly on the suppositions of the members of the commerce bureau in East Jerusalem. "From these partial accounts," the investigators say, "it is possible to point to some geographical areas being tied to the city more than others. The Mount Hebron settlements extract stone and trade intensively with Jerusalem. Other such areas include the quarries of the subdistrict of Ramallah in the Dayr Abu Mash'al area, Dayr Amr or Kfar Malen, Brod in the north of the subdistrict, and the subdistrict of Bayt Lahm, Bayt Fajr and Za'tarah. In the area of wholesale trade, the ties are much less. The most important of these are the ones between the merchants of Jerusalem and the merchants of Ramallah, Al-Birah and Bayt Lahm."

The average of all the parameters shows an elongated north-south shape tilted north-northeast by south-southwest. Two years ago when the possibility of expansion of Jerusalem's jurisdiction was discussed in Kollek's house, the findings had already begun which, in the future, will influence any decision on the matter. A trash dump was set up on the road to Ma'ale Adumim to replace the Hiriya dump. After a long debate with the housing ministry, a cemetery site for Jerusalem was located on the road to Ma'ale Adumim--a cemetery land reserve for the next 20 years. In the cemeteries of Jerusalem itself, there is no more room for burials. In the north the transportation ministry submitted a plan to the national planning and construction council to turn the Atarot airfield into an international airport. The program includes the expansion and lengthening of runways across the present jurisdictional border of Jerusalem.

Legal and illegal Arab construction has spread out within and particularly along the traffic corridors, which threatened to close off various planning options, both of the city of Jerusalem and of several government ministries. A committee for metropolitan coordination headed by city planning commissioner Avraham Kehila decided to take action together with other responsible bodies in Judaea and Samaria to stop, without force, illegal construction on the hill designated hill 661 north of Jerusalem (and this is just one example).

In the background material presented to the directors' committee on Jerusalem matters for their session on 23 May 1983, discussion goals, among other things, were established--"a detailed definition of topics requiring the coordination of the committee on the territory of Jerusalem and on the scope of the committee's authority." In the background paper it was also said that at the present stage it would be necessary to act in the territory of Jerusalem--within the municipal borders of the city and in the surrounding area--according to different sets of laws. "But one should not imagine that it would be possible to implement means for preserving the demographic balance and the objectives of a physical presence within the municipal boundaries of Jerusalem without taking parallel steps, though perhaps different ones, across the green line." Improvement of service in the Arab neighborhoods east and north of the city--it was said--could bring a surge of inhabitants across the municipal line inwards, whether because of the attraction of improved services or by settlement. Thus it is necessary to establish an overall policy on both sides of the green line and to prevent the creation of facts that are at odds with the goals.

The goals, as seen by the large majority of those who are working on the (whether from a planning or from a political perspective), are, in one formulaic camouflage or another, the de facto annexation of a certain amount of territory around Jerusalem by the State of Israel. The unconcealed desire is that in any political solution which in the future would make a special arrangement for Judaea and Samaria, the territory of Jerusalem would retain a different status--if not under Israeli law, at least with a clear practical bond to Jerusalem.

9794

CSO: 4423/42

WEST BANK FARMING LAWS DISCUSSED

Tel Aviv HA'ARETZ in Hebrew 2 Mar 84 p 15

[Article by Tzvi Bar'el: "Political Vegetables"]

[Text] A few days ago a letter that was published in the Letters to the Editor column of the British paper THE GUARDIAN was brought to my attention. It would appear that the military administration is again running rampant and doing whatever strikes its fancy to repress the West Bank inhabitants, this time economically. The letter says that "by military order 1015, issued last September, the military authorities forbid the Arab inhabitants of the Jordan valley to grow tomatoes and eggplant without a certificate to do so from the authorities. Apparently the Israeli authorities decided that the income from these two branches, of such commercial value, is to be for Jews only. Thus we can surmise with certainty that requests by the Arabs to grow these products will be refused or rejected until it will no longer be possible to realize them. Not only that but aside from the financial profit, there is not a shade of a doubt that the Jews hope thereby to destroy the financial base of these farmers so that they will be forced to leave the West Bank. This, of course, is the well-known Zionist policy." Up to here, in free translation, are the words of the letter.

In fact, there is an order to this effect which forbids the raising of tomatoes and eggplants without authorization just as there is an order forbidding the raising of plums and grapes on the West Bank without certification from the agriculture ministry. But the history of the order goes back to the beginning of the seventies, when enormous resources were invested to improve the level of agriculture on the West Bank. At that time dozens of agricultural experts, flush with zeal, crisscrossed the area, intent on imparting the best of Israeli technology and know-how. Delegations of Arab farmers visited plants and kibbutzes in Israel in order to learn directly from the experts in the field; agricultural shows and prizes of encouragement were offered to outstanding farmers, and new branches of agriculture were introduced into the regular growth cycle.

The improvements that penetrated the Arab economy very quickly began to show results, both in larger quantities and in quality. Then the question was raised: "What about marketing? What about competition with the Israeli domestic market?" Israeli production and marketing councils began to pressure the authorities to

limit the passage of agricultural produce from the West Bank to Israel in order not to affect the level of prices. Moshav people also contributed their share. However, the minister of agriculture at the time, Ha'im Giv'ati, decided that the Israeli and West Bank economies had to be considered as one integrated economy. Since the Arab farmer buys his corn, piping and seed from Israel, he must be allowed to market in Israel. And so it was.

Then the problems began. The West Bank economy, which is 30 percent dependent on agriculture (while it is about 4 percent in Israel), began to produce far more in certain sectors than the local Israeli and Jordanian markets could absorb, and as is the nature of these things, this caused the prices in those areas to fall. Even more, often--and almost methodically--Israeli merchants would buy agricultural produce on the West Bank and smuggle it to Israel, and thus, among other things, cause the destruction of fruits and vegetables of Israeli growers, who could no longer find a market for their produce. The Israeli marketing councils began to raise a hue and a cry and demanded a drastic limitation on the passage of West Bank agricultural produce to Israel.

But here a new problem was created. While the Israeli grower is subject to the supervision of the agriculture ministry, and especially to the supervision of its marketing and production councils, he knows that as long as he abides by the dictated ceiling he is assured compensation or a minimum price for his product, even if he cannot market it and it has to be destroyed. That is not so on the West Bank. There are no marketing or production councils, and there are no production ceilings. Therefore there is also no one to compensate the farmer in the event of surpluses, low prices or other problems resulting from an inability to market. The only solution available is export to Jordan. But the latter also imposes restrictions and does not allow export of more than 50 percent of the produce. Each year the farmers register with the Jordanian representative on the West Bank. They report to him the type of crop and the size of the area available to them, and on the basis of an average calculation, each farmer receives an export quota from which he may not deviate. No other export is possible. The marketing pipelines to Europe via Agrexco are almost hermetically sealed, and marketing to Israel in the peak season--in those critical branches--is illegal so that no quotas are allotted. Thus, for example, 50,000 tons of tomatoes were produced this year on the West Bank while the export quota to Israel is zero.

The military establishment was aware of the problem a year ago when an enormous surplus of grapes was produced. It therefore issued an order that the growing of grapes and plums is illegal without the authorization of the agricultural staff officer who sets the permissible quota. But in parallel the establishment set up a compensation fund together with the farmers which permits a payment to them when the market price falls below a certain level. The monies in the fund come, on the one hand, from fees paid by the farmers for each ton that they export to Israel, while in return an identical sum is guaranteed by the government. The determination of quotas for grapes and prunes on the one hand and the establishment of a compensation fund on the other have opened the way for agricultural planning on the West Bank.

This year a serious problem has arisen in the tomato and eggplant sectors. There are no export quotas to Israel; Jordan refused at first to accept more than half the quantity and thousands of tons were in danger of being destroyed. This sort of problem did not exist in the past and was the result of the summer weather which caused early, ripening of these vegetables throughout the country. The market was flooded all at once rather than bit by bit as is the case in normal years. The military regime was forced to find a solution, both in terms of planning for the future and in terms of immediate marketing. An edict was therefore issued to limit the production of tomatoes and eggplants to gain some kind of control over this thorny issue and efforts are underway to export most of the produce to Jordan. West Bank representatives left hurriedly and succeeded in creating an industrial market for the tomatoes. The government in turn exempted the exporters of this produce from all the normal export fees--sums of 8,000 to 10,000 shekels a truckload. At the same time research is underway on the possibilities for building plants on the West Bank to utilize agricultural surplus, but this idea has not yet borne fruit. "The Arabs are unwilling to invest in industry in an uncertain political climate," they say in the government. The problem of marketing the tomatoes is now on the threshold of a solution, but the question still remains as to whether the edict was fair.

It is true that, unlike the situation in the grape and plum sector, there is no compensation fund for tomato and eggplant growers. Therefore those farmers could argue that as long as they are not assured compensation for their market loss, it is unfair to impose restrictions on them. The government is also aware of the fairness of that argument. But "here, too, there has to be some start at planning," they say. "Every grower must know that his own production surplus hurts his neighbor and if this approach can get on a firm footing, it will be possible to talk about a compensation fund in these areas, too."

But in the meantime the government also suffers from a lack of technical ability to implement the edict. Supervision and control bodies do not exist, and the possibility of making the law stick on this matter is practically nil. Israeli merchants continue to exploit the opportunity to smuggle produce into the Israeli markets. In the government they say that if they come to the conclusion that the edict is ineffective and misses the mark, it will be rescinded. In the meantime--"If only we could have a marketing problem next year too! The hot weather that created the problem this year will be what will cause a shortfall next year."

And one more small matter. The edict applies to Arab growers only. The Israeli settlements in the Jordan valley enjoy all the existing arrangements in the Israeli market, including the planning quotas and the compensations. If we are talking about an integrated economy, it is difficult to accept a kind of halfway integration that imposes similar restrictions but not similar benefits. But from this to turning tomatoes and eggplants into political vegetables is still a long way.

9794

CSO: 4423/42

ISRAELI STUDENTS HARASSED AT CAIRO CONGRESS

TA291000 Tel Aviv MA'ARIV in Hebrew 29 Mar 84 p 12

[Report by Nurit (Baretzky)]

[Text] Representatives of the Israeli medical students' organization were expelled from an international congress held in Egypt last week. Their hosts would not let them stay in the hotel together with representatives of dozens of other delegations. Following the incident, the representatives of some 20 countries boycotted the congress' opening ceremony.

It was only on the 2d day of the congress, after the intervention of Israeli Foreign Ministry representatives in Egypt, who had established a link with official elements, that the Israeli representatives were permitted to attend the congress. The Israeli students' participation in the congress--in opposition to a decision by the medical students' organization in Egypt--led to the resignation of the local representative, who had been responsible for organizing the event and was one of the leaders of those opposed to letting representatives of Israel attend.

At the end of the 5 days of deliberations, the representatives of Israel were unable to sign a treaty with the Egyptian students about student exchanges for study and work. They were told specifically that differences of opinion among the organization's members over the continuation of the normalization process between the two countries did not permit decisions on cooperation to be made.

'Ofer (Chomsky) (a 4th year student at Tel Aviv University) and Dror Mevurakh (a 3d year student at the Haifa Technion), the representatives of the medical students in Israel, brought sleeping bags to Egypt "Because we did not know how we would be received in Egypt." In the end, these were not needed, since they spent the first night in another hotel and the next day they were returned to the hotel where the congress was being held.

As for what occurred on the evening of 13 March, 'Ofer (Chomsky) told MA'ARIV: "As soon as we arrived there was a riot, with the Egyptian organizers refusing to permit us to attend the congress and demanding that we leave the hotel that same evening. The intervention of representatives of the international students' organization and the protests of representatives of most of the delegations participating in the event did not help."

CSO: 4400/214

ISRAEL

WEST BANK PERSONALITY SAYS ATMOSPHERE CHANGED

TA271859 Jerusalem Domestic Service in Hebrew 1705 GMT 27 Mar 84

[Excerpts] The atmosphere in the territories has changed for the better and Israel should take advantage of the opportunity and look for partners for negotiations over the Palestinian problem inside the territories, not outside them. This was said this evening by Muhammad an-Nasir, formerly the head of the village leagues in the Hebron hills, and the leader of the Democratic Movement for Peace in the territories. He was speaking in Jerusalem this evening at a Jewish-Arab meeting organized by the intersectoral committee and after that our correspondent Arye Gus spoke with him:

[Begin Gus recording] A year ago it was hard to hear someone from the territories preaching peace and talking with Israel, Muhammad an-Nasir said. Now everyone is talking about this, from Frayj to the last Palestinian in the territories. The reasons for the change in the atmosphere are clear: after Beirut, after Tripoli, after the split in the PLO, people have despaired of the Palestinian leadership. They have understood that the only way to solve their problem lies in talking with Israel. However, neither should Israel look for external solutions; neither the Russians, the Americans, the Jordanians, nor the Egyptians are interested in solving the problem. Israel must take advantage of the opportunity for an initiative of its own and encourage moderate elements in the territories in order to reach direct talks for the achievements of a just and viable peace.

Israel must forget Husayn, An-Nasir said. He has seen what happened to Al-Jumayyil and As-Sadat and retreated. A peace camp has now been created in the territories and Muhammad an-Nasir points to the group which met with 'Arafat and, in the name of the inhabitants of the territories, demanded that he join the peace process. Israel must break the ground for this, he said, and permit political organization and make free elections possible. Only in this way can leadership be created, in his opinion, that will be able to negotiate with Israel. I am casting down a jauntlet to the government, he said; give me a chance, and within 1 day, I can organize rallies for peace, with the participation of tens of thousands of people. An-Nasir also feels a similar change in Israel, but time is pressing, he said, and the inhabitants of the territories will not be able to persist in calling for peace with no response. [end recording]

CSO: 4400/214

BRIEFS

GAZA STANDARD OF LIVING UP--Statistics show that the standard of living of the 400,000 inhabitants of the Gaza Strip is constantly on the rise. Thus, for example, 14 percent of the local families own a car, compared to 2 percent who owned one in 1974. Some 61 percent of the families have a solar-activated water heater, which were not used here previously; 30 percent of the housewives use an electric washing machine (compared with only 3 percent in 1977); 87 percent have gas stoves, whereas only 13 percent of the families had them in 1974. Color television sets have also become popular, although not so much as in Israel: 10 percent of the population have them (78 percent have a black-and-white set), compared with 1.2 percent in 1981. Some 79 percent of the families have an electric refrigerator. These statistics were published in the "Gaza District Bulletin" No. 1 published by the Civilian Administration. [Text] [TA160849 Tel Aviv HA'ARETZ in Hebrew 16 Mar 84 p 2]

EXPORTS TO CANADA--Israeli exports to Canada in 1983 rose by 36 percent compared with 1982 and reached about \$55 million. This has been reported by Ya'ir Ofek, the Israeli economic attache in Canada. Exports to Canada now include a broad range of products, including several which entered the Canadian market for the first time in 1983 or which had been exported there at one time. Most of the 1983 exports to Canada were industrial products (35 percent) and particularly worthy of note were aviation equipment, which increased from \$120,000 to some \$400,000; reception and broadcasting equipment \$700,000, compared with \$350,000; and printing circuit boards, \$480,000 compared with \$40,000 the previous year. [Text] [TA201819 Tel Aviv HATZOFE in Hebrew 20 Mar 84 p 4 TA]

MILCH COW DEAL WITH EGYPT--Tel Aviv, 21 Mar (ITIM)--A deal totalling \$2 million for the purchase of milch cows from Israel to improve the breed of cattle in Egypt is to be implemented by the end of this month. The deal was agreed upon with the Egyptian agriculture minister's aide, Nadim (Nasif) while he was heading a delegation of visitors from Egypt that came for the 1983 Agritex fair held in the Tel Aviv Institute of Israeli Exports last October. Negotiations over a similar deal were recently held in Egypt as part of the Export Institute's participation in the international fair in Cairo. This has been reported by Rafi Glick, the director of the agricultural center of the exports institute. [Excerpt] [TA211210 Tel Aviv ITIM in Hebrew 1110 GMT 21 Mar 84]

AID AGAINST BASQUE TERRORISM--Israel is helping Spain in its war against Basque terrorism. This was revealed by the MIDDLE EAST monthly, which adds that collaboration between the two countries has strengthened over the past year. According to this report the president of the World Jewish Congress, Edgar Bronfman, convinced the Spanish prime minister to establish a direct air link between Tel Aviv and Madrid. Spain believes that its ties with the Jewish lobby in the United States could enhance its influence with the U.S. Administration. Some 20,000 Spanish tourists visited Israel last year. [Text] [TA220851 Tel Aviv HA'ARETZ in Hebrew 22 Mar 84 p 2]

ARAB-JEWISH MEETINGS--Recently inhabitants of Qiryat Arba' and Hebron have met with Arab inhabitants to sort out problems, as part of a new project of meetings between Jews and Arabs in Judaea and Samaria. The latest meeting was held in the office of Hebron Mayor Mr Zamir Shemesh. At the meeting, various problems involving building, services and so on were discussed. Another meeting being organized by the Civilian Administration between Jews and Arabs is to be held soon, and it will involve meetings between students of the Ma'agan Mikha'el school and students from a school in Tulkarm. [Text] [TA290937 Tel Aviv BAMAHA in Hebrew 28 Mar 84 p 6]

REHABILITATION OF GAZA REFUGEES--This year the Civilian Administration in the Gaza Strip is to rehabilitate hundreds of families from the refugee camp Jabalyah, the most crowded of the camps and the largest in its area. The camp covers an area of about 1,400 dunams and is inhabited by some 36,000 people (about 6,000 families). To date only 100 families have been rehabilitated in nearby Bayt Lahiyah. Jabalyah is the most active of the eight refugee camps in the Gaza Strip in everything involving terrorist activity against Israel. The Civilian Administration has explained that inflation has damaged the system of "build your own home" offered over the past few years to refugees in the Gaza Strip, because the cost of a refugee building his own home should amount to about \$50,000, which is difficult to obtain in inflationary conditions. [Text] [TA010818 Tel Aviv DAVAR in Hebrew 1 Apr 84 p 5]

BAN ON ARABIC PAPER--The High Court of Justice yesterday upheld the Interior Ministry's decision to prohibit the publication of a new Arabic bi-weekly in Jerusalem. The court ruled that there was "very good reason" for the refusal of the ministry's Jerusalem district representative to permit the publication. It rejected a request that the representative be compelled to reveal the evidence on which his decision was based. 'Awdah Ayyub, a resident of East Jerusalem who studies at the University of Beirut, applied to the representative for permission to publish a bi-weekly called AL-MASIRAH, which would, she said, deal with "social, cultural, economic and political" subjects. The representative rejected her application, basing himself on defense Emergency Regulations, not giving the reasons for his decisions. Justices Menahem Elon, Yehuda Kohen and Elisha Sheinbaum ruled in favour of the representative, stating that the Emergency Regulations free him from the need to explain his reasoning. The justices were shown the detailed evidence on which the representative based his decision, and ruled that

"national-security considerations dictate that the information and its sources remain classified." [Text] [TA040920 Jerusalem THE JERUSALEM POST in English 4 Apr 84 p 2]

RISING WEST BANK EMPLOYMENT--Despite reports on rising dismissals of [Jewish] employees, the number of Arab workers from the territories beyond the Green Line employed in Israel is high, and has recently even registered an increase. Apparently, in March 53,892 workers from the territories were employed, compared to 53,656 in February. The largest group of workers from the territories is employed in industry--some 19,837. The second largest group works in construction--14,871. Another 12,946 are employed in various services, and 6,236 in agriculture. The largest concentration of employees from the territories can be found in Tel Aviv--14,456. In the Sharon area--8,950; in Jerusalem--7,284; and in the south (excluding the Negev)--5,100. It should be pointed out that these statistics, obtained from the Unemployment Services, are "minimalistic." According to data collected by the Central Bureau of Statistics, no less than 90,000 Arab workers cross the Green Line daily. The incongruence between the data stems from the fact that a very large number of these employees are not registered in any employment bureau, and are called "wildcat" workers. [Text] [TA061136 Tel Aviv DAVAR in Hebrew 6 Apr 84 p 5]

UNEMPLOYMENT CRISIS--Within a year a severe unemployment crisis is expected in Israel, and the number of unemployed will reach about 20,000. These comments were made last night by the general manager of the employment service, Barukh Haqla'i, at a convention of worker committee heads in the south, at the Be'er Sheva workers' council building. He said that this crisis will deepen if the government does not open up positions in public service or undertake a policy of developing export industries. In the past month 35,678 people came to the employment offices, of whom 13,433 remained without jobs, 34 percent more than the previous month. Twenty-five percent of all unemployed in Israel languish in "unemployment disability." This is a condition of prolonged non-functioning which causes pronounced unsuitability for any kind of job at all. He warned that discharged soldiers are likely to get caught up in this kind of situation. The employment service has lately undertaken a dynamic job arbitration approach. Service people come to the workplace and arrange positions for workers who face dismissal. This approach has proven itself, and work has been found for 40 percent of those awaiting dismissal. [Text] [Tel Aviv HA'ARETZ in Hebrew 2 Mar 84 p 1] 9794

CSO: 4423/42

KUWAIT

KUWAITI SPEAKER SCORES U.S., USSR ROLES IN MIDEAST CONFLICT

LD061159 Kuwait KUNA in Arabic 1010 GMT 5 Apr 84

[Excerpts] Geneva, 5 (KUNA)--The speaker of the Kuwaiti National Assembly, Muhammad Yusuf al-'Adasani, has criticized the big powers for working to undermine stability in the Gulf region and reaching an understanding between them for the destruction of both Iraq and Iran.

Al-'Adasani was speaking on the 4th day of the IPU conference during deliberations on the world's economic, social and political situation.

Al-'Adasani said: The Zionist racist entity's actions indicate that it is seeking to create a new fait accompli in preparation to annex all it can of the Lebanese territory when the time becomes favorable.

It is sad indeed to see the U.S. Government supplying the Zionist entity with money and political support as well as all types of weapons so as to enable it to continue with its barbaric crimes and to devour more of the Arab lands in defiance of the solutions adopted by the international community. This, in practice, is tantamount to a negation by the American Government of its international responsibilities and the UN charter and resolutions and an affirmation of its share in the crime of the Zionist entity.

He further said: The big powers have turned the Gulf region into a market for the selling of [word indistinct] in the world, while arms-producing countries sought to redress the deficits in their budgets by selling arms and creating jobs for their unemployed workers and employing them in the production of arms and fighting equipment in order to keep the inferno alight. They care nothing about the hundreds of thousands of victims who have fallen and still do as if they were not members of the human race.

Al-'Adasani continued: All the world governments are called upon to stop this huge bleeding of men and materials, otherwise the peoples of the world will begin to have doubts about the ability of the international cooperation system to contain these conflicts. It is in the interest of the whole world to see an end to this war based on the legitimate rights of all the parties concerned. For the sake of truth and history, it must be stated here that Iraq has offered all possible peace efforts and responded to mediation attempts but all this has been in vain due to the lack of response from the other party to the conflict and its insistence on continuing the fighting.

The war is still continuing in Afghanistan with the participation of the Soviet Army. This turns upside down the image that the Soviet Union itself has painted as an enemy of imperialism and a supporter of peoples. We urge our colleagues, the representatives of the USSR, to urge their government to respond to the resolutions adopted by the United Nations and the IPC which demand the evacuation of foreign forces from Afghanistan to enable the Afghan people to solve their own problems and decide on the form of government they want.

We also look with extreme concern at the escalation of acts of violence and terrorism in the various parts of the world which are directed against the security of peaceful countries including Kuwait and which are also directed against a number of innocent diplomats.

CSO: 4400/216

KUWAIT

BRIEFS

NATIONAL ASSEMBLY ELECTIONS--Candidates in this year's National Assembly elections look all set to bring some of the razzamatazz of an American election campaign to Kuwait. Traditional low-key methods will move aside for the October elections as the candidates prepare to launch their campaigns with balloons, videos, electronic games and computers. According to reports, one candidate has already decided to import big balloons from Taiwan and Hong Kong, printed with his photograph, the Kuwait flag and his policy statements. And the agent of an Italian company specialising in neon advertising banners is seeking orders from candidates for his products at KD25,000 a time. Another candidate is using a computer to organise his campaign. He is feeding the computer with all available information on the electors in his constituency in a bid to come up with a winning formula. Attempts are also being made to convince the Information Ministry to allow candidates to use Kuwait TV for election broadcasts. If these moves fail, the candidates are expected to distribute video cassettes of their speeches. [Text] [GF211131 Kuwait ARAB TIMES in English 20 Mar 84 p 1]

POPULATION RATIO FIGURES--The ratio of Kuwaitis to expatriates living in the country rose by 1 percent from 41.65 percent in April 1980 to 42.65 percent in April 1983. The final results of a manpower research showed the number of Kuwaitis in technical and scientific fields rose from 15 percent in April 1980 to 20 percent in April 1983, an official of Kuwait's Planning Ministry said yesterday. He added that Kuwaitis in managerial positions rose from 2.1 percent to 5.3 percent in the same period. The percentage of expatriates in the construction industry fell from 44.8 to 39.6 percent. He said that Kuwaitis worked an average of 40 hours weekly and non-Kuwaitis 48 hours. Kuwaitis received monthly salary of about KD410 and expatriates KD339. [Excerpts] [GF301205 Kuwait ARAB TIMES in English 29-30 Mar 84 p 6]

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VILLAGES SEEN AT ODDS WITH GOVERNMENT

Geneva JOURNAL DE GENEVE in French 29, 30 Mar 84

[29 Mar 84 pp 1, 3]

[Part 1 of a two-part article by Prof. Pierre Centlivres, director of the Ethnology Institute at Neuchatel University, author of "A Central Asian Bazaar: Form and Organization of the Tashqurgan Bazaar," Wissbaden, 1972]

[Text] Could it be because theirs is a society of peasants and herders that the Afghan people so furiously resist the communist government -- first the one in Kabul, then the one from Moscow? Ethnologist Pierre Centlivres describes the way life used to be in Afghan villages before the Marxists came to power in the capital: he shows us a system at once complex, subtle, and determinedly turning its back on the world of the city and of the government. (Ed).

No matter the convenient labels put upon them, the 11 to 13 million Afghani are not generally either horsemen of the steppes or members of nomadic tribes; they make up a peasant society, long nominally governed by an administration run from the central State and polarized by a few urban centers where the officials live, and where there are markets and garrisons of troops.

Afghanistan's inhabitants earn their living primarily from farming. There are some 15,000 villages in the country, each home for 40 to 80 families, a few hundred towns big enough to have a bazaar and some government buildings, plus a dozen or so cities. The sedentary population is estimated at 10 to 12 million souls, almost 90 percent of whom get their livelihood entirely or partially from agriculture. Only 12 percent of the country's 650,000 square kilometers of land is arable, half of it thanks to irrigation, half of it watered by the rains.

Few Large Land Holdings

Afghanistan in the Seventies had almost no experience of large-scale farming operations; land holdings of more than 300 hectares are a rarity. The average size of farmsteads runs below 2.5 hectares, which means that a great many small farmers must not only till their own patch for a living, but must make ends meet by hiring out to work for a larger landholder. A little over 60 percent of the farms are worked by their owners, while 20 to 35 percent of farm workers own no land at all.

The system of relationships of authority and dependency between the farmers on one side and the State bureaucracy and the traditional "khans" on the other, has often been styled feudal; that is not the right word: the Afghan peasant was never bound to the soil, and serfdom never existed. Smallholders were and still are a majority in an essentially rural population; many of them worked and many still work for a landowner under an oral sharecropping contract or in a clientary relationship; hence it is wise to eschew the pre-printed labels that lump together very disparate systems.

The practice of paying wages for farm work was not at all common until very recent years. As sharecropper or owner, the Afghan farmer traditionally followed the pattern of sharing the agricultural yield on a pro-rata basis of five "production factors" based on the farm cycle: ownership of the land, water use, seed grains, plowing, and human labor; the harvest is divided -- at least theoretically -- into portions, each of which corresponds to one of these factors. Thus the farm worker who has nothing but the strength of his arms is entitled, in lieu of wages, to a fifth of the harvest, although he may get less than that.

In an agrarian system where both techniques and tools are rudimentary, this distribution pattern is advantageous to the land-owner in that it motivates the worker (the share he gets depends on the work he performs), and in that it requires no investment whatever. When the production system changes -- as with the advent of mechanization, the introduction of cash crops, and the adoption of "high-yield" varieties -- the "five-share system" falls apart and it becomes advantageous to the owner to stop using sharecroppers and to hire men to work his land for wages; the end result of this shift is to alter agrarian relations and to accelerate the migration of landless peasants to the cities.

A Touchy Confrontation

Though the village is relatively autonomous in matters of farm production, it depends on the nearby town for such manufactured items as it needs and for its relations with the administration. This is also where the peasants come face to face with the powerful burghers and government officials. Between the farmers and herders of rural Afghanistan and the representatives of Kabul, whether they

work for the land office, the gendarmerie, the tax-collector, or the school system, there is an immense cultural gap. The lifestyle of the officials, their clothes, and their customs are the outward signs of a radical otherness. Up to the 1973 revolution, which brought the end of the monarchy, the peasants had never heard of the laws or the table of organization of the regional government; the amount of taxes, duties, and fees expected of citizens was something alien to the popular consciousness. Quite literally, the peasants and the government did not speak the same language, and so there had to be intermediaries, known as /arbab/, between the people and the agents of the State. For their part, officials in the provinces felt like exiles; poorly paid, often transferred, and poorly housed, they bore the years away from the capital as a necessary evil while they waited for promotion, or as a chance to "live off the land" thanks to a system of tax-skimming. In the eyes of villagers, they symbolized -- not always erroneously -- the lax morals of the city, its irreligiousness, and its corruption.

The Arbab: An Interpreter

The village community has its own notables, some of whom are rich and powerful landowners, ruling over both an extended family and numerous clients under their patronage, others men whose influence depended on their symbolic capital as descendants of Mohamed or as pilgrims to Mecca, or as learned men. Among these notables there is one, neither the richest nor the most powerful, who holds a key position between the villagers and the government: he is the arbab or /malek/, the "village headman." He is the channel for information; it is he who accompanies villagers summoned to the capital, he who welcomes touring officials. He is expected, for a consideration, to shelter the villagers against the demands of the administration. He is also called upon to settle village quarrels and to see that they do not go before the judge or the deputy from Kabul. He thus serves as a screen between the representatives of government and the village. As a matter of fact, village resistance is often centered around his skill and cleverness in that function, and he was one of the first targets to draw fire from the revolutionary measures.

Ever since the coup d'etat in 1973 and especially following the coup in April 1978, the new government in Kabul had sought to do away with the arbab, those "suckers of the people's blood," so as to establish clear-cut relations between the State and the peasants. Through this radical measure, it sought to abolish the intermediaries as obstacles to the penetration of orders from the central government. The peasants perceived the banishment of their spokesman as a flagrant injustice. A measure of that kind inevitably aggravated the rupture between the peasantry and government's agents. And indeed, by 1979, the arbab were restored almost everywhere.

[30 Mar 84 pp 1, 3]

[Article by Pierre Centlivres, part 2]

[Text] It would be a mistake to see a conspiracy among officers or intellectuals as the sole cause of the recent turbulence in Afghanistan. Among the underlying causes there is the extreme poverty of a country whose mean per-capita income in 1975 was less than \$160, plus the disparity between agriculture's contribution to the national revenues -- better than two thirds -- and its low productivity level. The great drought of 1970-1972 and the migration of starving peasants coincided with the impact of shrinking foreign aid, down from \$100 million in the early Sixties to \$47 million in 1970, the effect of which was to speed the drift of the jobless to the cities and to render still more blatant the contrast between the affluent few and the dire poverty of the migrants from the interior. (Ed.)

By the end of the Seventies, the old village social structure was clearly in crisis; the traditional relationships between land-owners and those who tilled the soil were giving way to new relations rooted in the demand for return on investment. Official corruption, bearable while it was limited and predictable, was becoming outright extortion. In the villages, students and young officers with new kinds of knowledge and new tools for analysis, were calling for reforms which no longer aimed at restoring the original Islamic community, but rather called for equal distribution of land, social justice, and wholesale upheaval in a rural society of which they knew very little.

In 1978, the new government team that emerged from the April coup d'etat was trying to apply to Afghanistan imported models for changing the agrarian structure; it thought a blizzard of decrees would suffice to change the ancient social production relationships overnight. Executive Order 6, in July 1978, abolished all interest charges on loans to poor peasants and provided easy conditions for paying off mortgages on land. According to the Soviet economists, these measures would free the peasants from their obligation to pay some 30 billion afghani (1 afghani = about 5¢ in 1978).

It was Executive Order 8, however, promulgated in November 1978, which had the most tragic consequences. That decree set the ceiling on farm size at 6 hectares of good land, and ordered unreimbursed expropriation of the big landowners on behalf of landless peasants and nomads. The goal of that particular reform was far broader than merely reducing disparities in land ownership, which for that matter were not all that great in Afghanistan; it aimed

dismantling the sharecropping system and shattering existing property relationships, at forced settlement of the nomads and semi-nomads on permanent sites, and at an egalitarian redistribution of farmland.

The blind determination to grant every citizen a share of the limited supply of farmland led to absurdity, since there was not enough land available -- by a long shot -- to insure potential beneficiaries of a workable holding. When that became clear, the State "encouraged" poor peasants to pool their holdings into cooperatives. Enforcement of the reform decree was harsh in the extreme, and set off insurrections in every province; the very foundations of the peasant society and its reproduction, its ways of life, its ethnic ties, its religious convictions, its social relationships -- all were the target of State violence. Farm productivity, already low, dropped still lower in 1979; the national per capita income, according to Soviet sources, now came to no more than \$139; cereal grain production declined 10 percent, and cash crops shrunk by 25 to 30 percent.

The corner the Kabul government had painted itself into led to an open conflict between the two factions in government, and from there to foreign intervention. The present government, under the Soviet aegis, felt called upon to deplore the excesses of land reform, and today it finds itself obliged to put its emphasis on the productivity of viable acreage, at least in the few regions it controls.

Afghanistani villages, though, have spurned both the political apparatus and the agents of a State that presumes to do violence to the rural way of life and which relies for its survival on foreign armed forces.

The Soviet occupation of the cities and major access routes has heightened the isolation of the natural regions which are trying to put together an organization of their own, in the absence of representatives of any central government, along parallel military and administrative lines in which local notables coexist with new political and military leaders.

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PAKISTAN

BRIEFS

SOVIET JOURNAL CONFISCATED--Lahore, 27 Mar (APP)--The Government of Pakistan has confiscated all copies of the quarterly FAR EASTERN AFFAIRS 1983 published in the Soviet Union under the West Pakistan Press & Publications Ordinance of 1963. [Text] [Rawalpindi TAMEER in Urdu 28 Mar 84 p 4]

MRD LEADER OFFERED MONEY--Moro, 1 April (JANG Correspondent)--Talking to newsmen, Maulana Shah Mohammad Amroti, convener of MRD, revealed here today that the regime had offered to pay him 50 million rupees if he would sever his connections with MRD, but he had rejected the offer. [Text] [Karachi JANG in Urdu 2 Apr 84 p 1]

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END